

**The Ellis Shopping Report Performance Comparison
A Multifamily Industry Benchmark
Executive Summary
Second Quarter, 2011**

We are thrilled to bring you the Second Quarter 2011 Ellis Quarterly Shopping Report Performance Comparison under our new company name, [Ellis, Partners in Management Solutions](#), and with a fresh new look! This new name supports our vision and the commitment to the growing needs of our customers. Our newest innovation in lead conversion and resident retention, the [Customer Intelligence Application](#) is the ultimate enhancement to the flagship Mystery Shopping product Ellis customers have come to respect over the last 26 years as the premier objective measure of onsite leasing personnel performance. In this letter, we break down the four generations in today's workplace and some basics of connecting with and selling to each, along with our traditional market update and the results of our quarterly performance comparison.

☑ MARKET CLIMATE UPDATE

The beginning of the housing bubble created a stumbling block for the apartment industry. Landlords were forced to cut rents in order to retain existing renters and attract new ones. Concessions and discounts were prevalent in many markets. Today, however, rents are on the rise. It is a classic example of supply and demand. While the housing market struggles in this shaky economy, more Americans are renting now than ever before. Even as the cost of renting increases, it is a safer bet than buying.

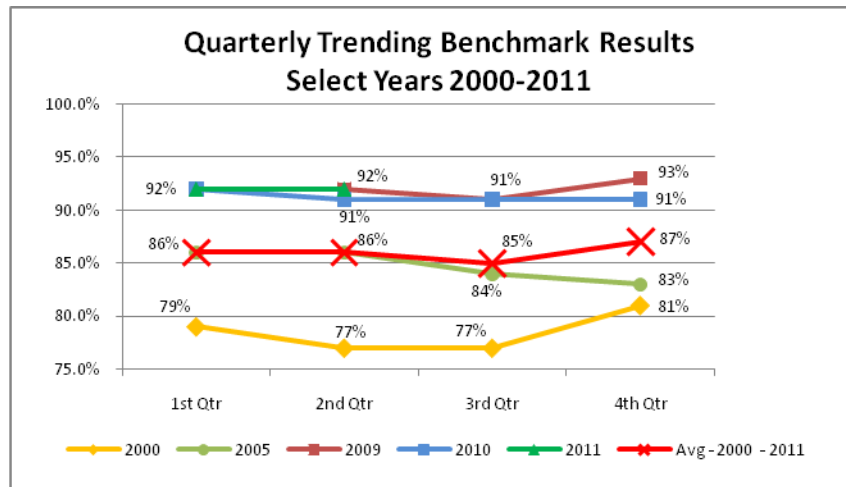
- ☐ In April through June, U.S. asking rents rose to \$1,052 a month and the vacancy rate fell to 6%, the lowest level in more than three years, according to Reis, Inc.
- ☐ "While parts of the housing industry remain weak, the rental market has clearly strengthened and home sales are above last year's pace. Look for a gradual but substantive improvement in housing activity in the coming year." Frank Nothaft, Freddie Mac, Vice President and Chief Economist - June 2011
- ☐ The U.S. unemployment rate jumped to 9.2% in June as the country gained a total of 18,000 jobs, according to the U.S. Department of Labor.
- ☐ According to Gallup, underemployment, a measure that combines the percentage of unemployed with the percentage working part-time but wanting full-time work, was at 18.3% at the end of June. This is down from 19.2% at the end of May. Underemployment is just as high now as it was at the end of June 2010.
- ☐ In June, Fed Chairman Ben Bernanke acknowledged that the U.S. economic recovery was "uneven" and "frustratingly slow" although he added that he expected growth to pick up in the second half of the year.

☑ ELLIS QUARTERLY SHOPPING REPORT PERFORMANCE COMPARISON: A MULTIFAMILY INDUSTRY "BENCHMARK"

For many years, our shopping customers asked, *"How do my on-site leasing professionals compare to those in similar companies?"* In the First Quarter 2000, we created the *Ellis Shopping Report Performance Comparison* to answer that question. Known as the "Benchmark", our quarterly report allows you to compare your company's leasing performance to other national and regional operators. By measuring the affirmative answers to ten leading and universal performance questions common to all telephone/on-site mystery shopping reports, we rank participating companies on a weighted and equal basis. These 10 questions are included in the comparison chart attached to this letter.

☑ ELLIS BENCHMARK QUARTERLY PERFORMANCE TRENDING

Overall Average Reaches 92% in the Second Quarter 2011! This average is 1% higher than the same time period one year ago when the overall average reached 91%. While this number continues on an upward trend, the high and low company averages tell us a different story. The "high average" dropped by 2% while the "low average" increased by a whopping 4%! As companies at the bottom continue to address specific leasing performance opportunities through training and communicating their increased expectations, their scores will move up and increase their averages. The demand for rental apartments is high and based on a demographic change and tougher lending standards for would be home buyers, it is expected to continue. Are your teams ready for the "apartment rush"?



☑ TOP-RANKED PARTICIPATING COMPANIES

1st Place – Carmel Partners. 97% (8.81 standard deviation)

“We are so thrilled to once again rank among the top five in the Ellis Benchmark report. Our associates are dedicated and work hard to achieve top leasing performance. We are so proud of this accomplishment and look forward to continued success.”

– Kate Grasso, Vice President of Sales Services and Marketing

2nd Place – Ventera Realty. 96% (7.84 standard deviation)

“Ventera Realty is thrilled to earn, for the first time, a spot in the top five in the Ellis Benchmark! We want to congratulate our team members on this outstanding accomplishment and thank each of you for achieving these amazing results. We appreciate your dedication and commitment to our customer service vision and for ultimately showing our prospective residents why they should choose to make their home with us. We look forward to seeing your continued success in the quarters to come!”

–Mary Green, Training Manager

3rd Place – Legacy Partners Residential, Inc. 96% (8.67 standard deviation)

“We want to congratulate our A+ Team Members on this accomplishment. Legacy Partners trains and reinforces the importance of delivering excellence to every prospective resident. However, ultimately it is the dedication and the pride of each of our Team Members that has produced these tremendous results and we applaud their performance.”

–Pat Hutchison, Regional Vice President

4th Place – Post Properties. 96% (8.82 standard deviation)

“Once again, Post is very pleased with the quality of our leasing consultants’ presentations and the consistency with which they are delivered. We are extremely proud of their ongoing efforts to provide informative, professional presentations to our prospects. Their ongoing efforts are what make Post a success.”

–Jamie Teabo-Executive Vice President

5th Place – Gables Residential Services. 96% (9.08 standard deviation)

“Gables Residential is pleased to once again place in the top five. Our associates continue to show their commitment to customer service and our mission of “Taking Care of the Way People Live”. Congratulations Gables associates!”

–Jennifer Antos, Vice President of Learning and Development

☑ PERFORMANCE IMPROVEMENT TOPIC: MARKETING AND LEASING TO DIFFERENT GENERATIONS

It is amazing how different generations behave in terms of their buying motivations and their spending habits. Although every individual is unique, we can clearly see a generalization among age groups. History has played a major role in determining the different behaviors of each generation. Only the future will measure the successfulness of our efforts to relate to each generation.

Today’s leasing teams face the challenge of effectively marketing and selling their products and services to four generations: Traditionalists, Baby Boomers, Gen X and Gen Y. It is important to tap into the values, expectations, and buying motivations of each generation in order to increase levels of customer engagement. The higher the level of customer engagement, the higher likelihood that the relationship leads to a lease! How do you market and sell to these very different types of people? The first step is becoming familiar with each generation.

1. The Four Generations

Generation	Years Born	Sociological Environment Affecting Generational Differences	Impact
Traditionalists	Before 1946	Children of the Great Depression	Survival
Baby Boomers	1946-1964	Born in the Post-World War II Baby Boom	Stability
Generation X	1965-1977	Born after the Baby Boom (aka the MTV Generation)	Balance
Generation Y	1978-1995	Children of times of uncertainty, political unrest, and technological change	Connectivity

Once you are familiar with each generation, you can begin to effectively market to and connect with them.

2. Effective Marketing

- Traditionalists:** Brag about any customer loyalty programs you may offer; show them you value their loyalty. Their family is important to them; provide solutions that will help their family. A combination of traditional marketing and some social media can be effective in reaching this group.
- Baby Boomers:** When marketing to this group, answer these questions: What do you have to offer that could help them with their work/life balance? What cause do you have for them to embrace? Baby Boomers have high expectations concerning marketing and sales pitches. Do not use vague, mass marketing advertising with generic messages. Communicate the clear cut benefits of your product and/or services. Be prepared to live up to the promises made during the sales process.
- Generation X:** This group tends to be skeptical of big business and is very sensitive when companies try to “sell” them. This generation is independent and resourceful. Use a straightforward approach. A marketing strategy that focuses on their wants and desires will do well. Gen X has learned to ignore the “marketing” racket as much as possible. Thus, mass marketing and selling can fall on deaf ears. Their loyalty to a company or brand needs to be continually earned.
- Generation Y:** This group is “savvy.” As a result of all the media saturation this generation has experienced, it is increasingly difficult to catch their attention. On top of the visibility issue, they are tired of being sold to. Avoid any hype! Instead, use marketing messages that are straightforward and honest. The use of *direct* marketing rather than *mass* marketing works well with them but a text message that mentions their name will not impress them. Members of Gen Y are in the know, and what they do not know they can easily access by a few taps of their touch screen. Creativity is the key to getting their attention.

3. The Sales Connection

Congratulations! Your marketing efforts have paid off and your potential renter has made contact. It is vital for leasing professionals to deliver exceptional service according to the customer’s expectations. Here are a few points to consider in each step of the sales process (connect, needs, solutions, the close) when interacting with people of different generations.




Generation	Make a Connection	Uncover Needs	Present Solutions	Close the Sale
Traditionalists	Seeking new experiences	Do not assume you know what they need	Focus on what is important to them	Avoid pressuring them for a decision
Baby Boomers	Personalization, high expectations	Do not assume anything about them	Create a positive experience	Make them feel like they have won something
Generation X	Sincerity, personal connection	Understand their lifestyle and how they will use your product/service	Do not try to "sell" them	Be honest with them; they will lease if they trust you
Generation Y	Instant communication	Engage them in the process	Send a clear message	Give a great overall experience

Knowing who your customer is, what their needs are, and how to really relate to them is the most direct path to real customer enchantment. We thank you for your participation and feedback, which help make this report informative and a reliable resource. We hope you will find Ellis, Partners in Management Solutions to be not only the finest source for mystery shopping but a true partner in management solutions for your organization. Visit our new [website](#) for more information!

Sincerely,

Joanna Ellis

Joanna Ellis, CAPS
Chief Executive Officer

Connect with us:   

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MANAGEMENT SOLUTIONS
SHOPPING REPORT PERFORMANCE COMPARISON®
MULTIFAMILY INDUSTRY BENCHMARK
SECOND QUARTER, 2011

	TELEPHONE PRESENTATION		ON-SITE PRESENTATION								CLIENT AVERAGE	STD DEV
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10		
	Set Appt	Telephone Number	First Impression	Identify Specific Needs	Discuss/ Show Property	Apt. Condition	Feature/ Benefit Sell	Overcome Objection	Ask for Deposit	Lease from Agent		
QUESTION OVERALL AVERAGE	95.61%	84.60%	95.47%	93.01%	95.34%	95.05%	95.05%	96.88%	73.68%	91.32%	92%	13.96
Carmel Partners	97.98%	89.90%	98.99%	96.97%	98.99%	98.99%	98.99%	98.99%	88.89%	97.98%	97%	8.81
Venterra Realty	98.44%	90.63%	96.88%	100.00%	100.00%	96.88%	96.88%	100.00%	85.94%	98.44%	96%	7.84
Legacy Partners Residential, Inc.	100.00%	88.89%	97.78%	95.56%	100.00%	97.78%	95.56%	97.78%	88.89%	93.33%	96%	8.67
Post Properties	99.31%	93.06%	97.92%	96.53%	99.31%	97.22%	97.22%	97.92%	88.19%	97.22%	96%	8.82
Gables Residential Services	97.63%	92.28%	98.22%	97.92%	98.81%	95.25%	99.11%	98.52%	89.02%	95.55%	96%	9.08
CLIENT 6	97.01%	91.04%	98.51%	95.52%	98.51%	95.52%	98.51%	98.51%	91.04%	97.01%	96%	11.93
CLIENT 7	98.02%	94.06%	97.03%	98.02%	98.02%	96.04%	96.04%	98.02%	94.06%	95.05%	96%	14.53
CLIENT 8	100.00%	95.24%	90.48%	95.24%	97.62%	95.24%	100.00%	95.24%	92.86%	90.48%	95%	8.04
CLIENT 9	100.00%	80.81%	100.00%	98.99%	95.96%	97.98%	97.98%	98.99%	85.86%	95.96%	95%	8.12
CLIENT 10	98.84%	90.70%	96.51%	95.35%	98.84%	100.00%	97.67%	97.67%	83.72%	94.19%	95%	8.90
CLIENT 11	100.00%	96.15%	98.08%	88.46%	100.00%	94.23%	94.23%	96.15%	86.54%	96.15%	95%	9.39
CLIENT 12	97.95%	89.73%	95.21%	97.26%	96.58%	98.63%	94.52%	100.00%	83.56%	92.47%	95%	11.39
CLIENT 13	92.59%	92.59%	97.53%	97.53%	100.00%	97.53%	100.00%	96.30%	72.84%	92.59%	94%	9.18
CLIENT 14	96.15%	94.23%	98.08%	100.00%	98.08%	92.31%	94.23%	100.00%	75.00%	96.15%	94%	10.37
CLIENT 15	96.49%	84.21%	92.98%	91.23%	98.25%	98.25%	98.25%	98.25%	87.72%	94.74%	94%	10.83
CLIENT 16	97.75%	98.88%	95.51%	96.63%	92.13%	98.88%	93.26%	100.00%	79.78%	91.01%	94%	12.06
CLIENT 17	96.15%	88.08%	95.00%	91.54%	97.31%	96.54%	96.54%	95.38%	82.69%	95.77%	94%	12.63
CLIENT 18	94.12%	84.31%	98.04%	98.04%	94.12%	90.20%	94.12%	100.00%	68.63%	94.12%	92%	11.20
CLIENT 19	96.99%	84.21%	95.49%	90.23%	95.49%	96.99%	97.74%	98.50%	70.68%	91.73%	92%	13.59

Participating Companies	
Alliance Residential Company	JMG Realty, Inc.
Amli Residential	Kettler Management
Apartment Trust of America	Laramar Group
BH Management Services, Inc.	Legacy Partners Residential, Inc.
Bozzuto & Associates	Madison Apartment Group, LP
BRE Properties	Pinnacle (PRMC)
Capreit	Post Properties
Capstone Real Estate	RAM Partners, LLC
Carmel Partners	SARES-REGIS Group
Colonial Properties Trust	Sequoia Equities, Inc.
Cottonwood Capital Property Management, LLC	Simpson Property Group
CTL Management, Inc.	The Bainbridge Companies
CWS Apartment Homes	TriBridge Residential
E & S Ring Corporation	UDR
Fairfield Residential	Venterra Realty
Gables Residential	Waterton Residential
Greystar Management Services	Weidner Apartment Homes
Guardian Management, LLC	Western National Property Management
IMT Residential	Windsor Property Management Co / GID

* Representing 4,103 shopping reports

Benchmark 1st Place Company
Carmel Partners
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CLIENT 20	98.28%	75.86%	96.55%	98.28%	100.00%	96.55%	94.83%	98.28%	60.34%	94.83%	91%	10.34
CLIENT 21	96.20%	88.61%	97.47%	92.41%	91.14%	88.61%	91.14%	97.47%	81.01%	88.61%	91%	13.43
CLIENT 22	98.25%	80.70%	94.74%	92.98%	94.74%	92.98%	96.49%	98.25%	70.18%	94.74%	91%	14.20
CLIENT 23	85.96%	78.95%	98.25%	91.23%	91.23%	92.98%	98.25%	100.00%	75.44%	89.47%	90%	12.46
CLIENT 24	93.65%	83.60%	96.30%	91.01%	94.18%	99.47%	87.30%	97.88%	65.08%	88.89%	90%	14.38
CLIENT 25	95.54%	76.22%	94.06%	93.42%	95.33%	95.12%	94.90%	95.12%	67.52%	89.81%	90%	15.01
CLIENT 26	93.51%	92.21%	94.81%	96.10%	88.31%	92.21%	92.21%	96.10%	66.23%	92.21%	90%	15.08
CLIENT 27	87.50%	62.50%	100.00%	91.67%	100.00%	91.67%	100.00%	95.83%	66.67%	95.83%	89%	11.76
CLIENT 28	94.50%	84.50%	92.50%	94.50%	94.00%	88.50%	96.50%	97.50%	63.00%	87.50%	89%	14.95
CLIENT 29	94.44%	75.93%	96.30%	81.48%	98.15%	90.74%	92.59%	96.30%	62.96%	88.89%	88%	14.36
CLIENT 30	90.41%	78.08%	94.52%	93.15%	94.52%	91.78%	93.15%	94.52%	65.75%	87.67%	88%	15.00
CLIENT 31	93.15%	87.67%	98.63%	83.56%	90.41%	98.63%	90.41%	97.26%	56.16%	84.93%	88%	15.24
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CLIENT 34	88.46%	75.00%	96.15%	90.38%	92.31%	84.62%	94.23%	94.23%	51.92%	88.46%	86%	13.78
CLIENT 35	93.62%	72.34%	95.74%	93.62%	91.49%	95.74%	89.36%	87.23%	51.06%	85.11%	86%	14.11
CLIENT 36	92.86%	78.57%	92.06%	83.73%	90.87%	92.86%	92.46%	94.84%	60.32%	85.32%	86%	18.12
CLIENT 37	91.94%	83.87%	87.10%	83.87%	87.10%	88.71%	87.10%	90.32%	50.00%	80.65%	83%	21.08
CLIENT 38	85.90%	66.67%	88.46%	76.92%	83.33%	97.44%	89.74%	92.31%	55.13%	78.21%	81%	22.02

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