



**The EPMS *Shopping Report Performance Comparison***  
**A Multifamily Industry Benchmark**  
**1<sup>st</sup> Quarter 2007**

It is not simply the income tax deadline. April 15<sup>th</sup> also marks the release of the **First Quarter, 2007 EPMS Quarterly *Shopping Report Performance Comparison***. We appreciate your interest and as always are delighted to provide you with our national leasing performance benchmark. For eight years, **ELLIS; *Partners in Mystery Shopping*** has offered “The Benchmark” as the apartment industry’s premier comparison of leasing performance among top rated companies.

The First Quarter of 2007 has brought us a continued stable apartment marketplace positioned for another strong performance. Though the increase of condominium *re-conversion* has added to the rental supply and hindered occupancy growth, the overall market conditions have stabilized in most parts of the country. According to Marcus & Millichap’s 2007 National Apartment Report, vacancy will continue to decline to 5.1% allowing modest rent growth of 4.3% and 4.8% effective rents. Concessions have dramatically dropped since 2004 leaving less room for improvement in 2007. Average concessions are projected to decline to less than two weeks free rent, the lowest level since 2002.

**Training Models.**

The components of creating the finest leasing team include personnel recruiting and selection, compensation, work environment, and attaining appropriate skill levels. Assuming you have the right people and product, perhaps training becomes the most important factor to a world-class sales effort. Over the next four quarters, our ***Shopping Report Performance Comparison*** theme will be *training*. We will examine many of the “best practices” of our survey participants to see how their training impacts performance and accelerates the mastery of effective sales skills. Not only will we hear from our top Benchmark average score leaders, we will select several other participating companies who are willing to share their successful training strategies.

This first quarter, we examine the more traditional training models. We will look at classroom training, one trainer presenting to a group of learners in the more formal classroom setting. We will also examine the curriculum development models used in these more formal training situations.

**The EPMS Quarterly *Shopping Report Performance Comparison*: A Multifamily Industry “Benchmark”.**

This summary was started in the First Quarter 2000 to answer the question that many of our EPMS shopping customers have asked us for years, “*How do my on-site leasing professionals compare to those in other similar companies?*” As a participating EPMS shopping client, you now get the answer to that question. The EPMS *Shopping Report Performance Comparison* 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 can rank participating companies, on a fair, weighted, and equal basis, according to their average leasing/shopping score. These ten Benchmark questions are included in the comparison chart attached to this letter.

**40 Participating Companies Representing 5,809 Total Shops!**

Participation in the **EPMS Quarterly *Shopping Report Performance Comparison*** is a benefit reserved for those companies who are frequent, long-term shopping customers. A minimum of 40 shops during the quarter is required to be included. This summary participation represents first quarter shopping report total of 5,809 evaluations, the largest in the history of the Benchmark. We want to welcome The Connor Group and Sequoia Equities as new participants in the comparison this quarter. We also want to identify and warmly thank all the current companies who contributed their shopping data to this quarter’s *Shopping Report Performance Comparison*.

- |                              |                             |                                     |
|------------------------------|-----------------------------|-------------------------------------|
| Amlı Residential             | Drucker & Falk, LLC         | Milestone Management                |
| Archstone Communities        | E & S Ring Corporation      | Orion Real Estate Services, Inc.    |
| AvalonBay Communities, Inc.  | Equity Residential          | Pinnacle Realty Management          |
| BH Management Services, Inc. | Fairfield Residential       | Post Properties                     |
| Bozzuto & Associates         | Fogelman Management Group   | Prometheus Real Estate Group        |
| BRE Properties               | Gables Residential Services | RAM Partners, LLC                   |
| Capreit                      | Greystar Management         | Sequoia Equities                    |
| Capstone Real Estate         | JPI                         | Simpson Property Group              |
| Carmel Partners              | Legacy Partners             | Tarragon Management, Inc.           |
| Colonial Properties Trust    | Lincoln Property Company    | United Dominion Realty Trust (UDRT) |
| Concord Management           | Lynd Company, The           | Village Green Companies             |
| The Connor Group             | Lyon Apartment Communities  | Waterton Residential                |
| CTL Management, Inc.         | Metric Property Management  | Weidner Investment Group            |
| CWS Apartment Homes          |                             |                                     |

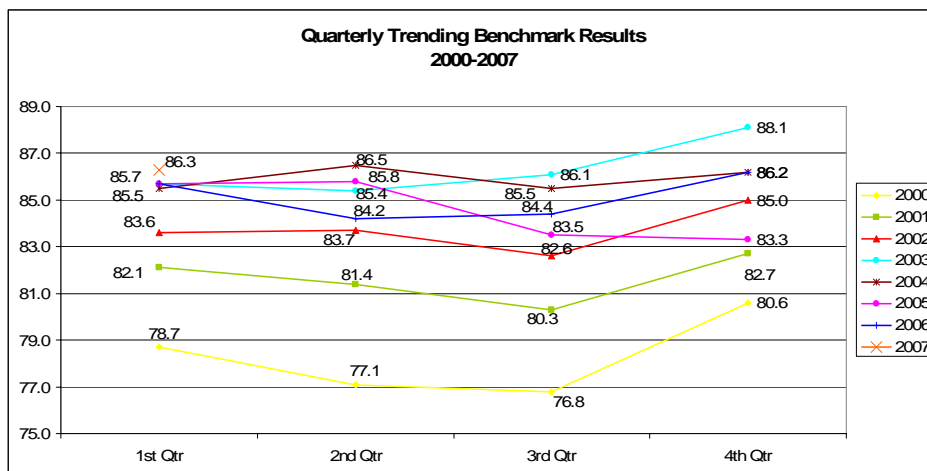
**First Quarter 2007 Hits 86.33% with 5,809 Shops - A Record High Average Score and Participation!**

This quarter’s participating companies have achieved an average Benchmark score of **86.33%**, representing the highest all-time *Shopping Report Performance Comparison* average for a First Quarter. It is also the third highest average in the 29-quarter, 7-plus years history of this industry measurement of sales skills. With a total participation of 40 companies representing **5,809 shopping reports**, this is the most reports included in not only the first quarter but in any quarter! With each record-breaking quarter, we wonder if that average can possibly be surpassed again. Yet, our Benchmark companies are organizations who dedicate themselves to excellence; including excellence in leasing. The numbers seem to continue to drift upward. It will be interesting to see if an improved marketplace will cool that quarterly improvement. Our near-proven theory is that the better the leasing environment, the weaker the overall on-site leasing effort. For a detailed discussion of this dilemma and our recommendations for enhancing leasing performance in the busier spring and summer quarters, see the previous, 2006, Third Quarter Benchmark letter, page 3. <http://www.epmsonline.com/benchmark/benchmark3Q06.pdf>

1 <sup>st</sup> Quarter	Overall Average	Company Score – Average Ranges		Total Shops
		High	Low	
1 <sup>st</sup> Quarter 2007	86.3%	94.9%	70.8%	5,809
1 <sup>st</sup> Quarter 2006	85.7%	95.2%	66.9%	4,475
1 <sup>st</sup> Quarter 2005	85.7%	94.1%	70.0%	4,540
1 <sup>st</sup> Quarter 2004	85.5%	93.8%	78.1%	4,064
1 <sup>st</sup> Quarter 2003	85.7%	91.6%	76.6%	3,147
1 <sup>st</sup> Quarter 2002	83.6%	88.8%	71.8%	2,323
1 <sup>st</sup> Quarter 2001	82.1%	88.8%	66.3%	1,893
1 <sup>st</sup> Quarter 2000	78.7%	85.9%	64.3%	1,267

**Quarterly Trending Consistent.**

As we have observed in previous Benchmark letters, the first and fourth quarters are usually the strongest in terms of leasing performance as measured by shopping scores and our Benchmark average. This quarter’s record average continues to point to this reality. Quarterly trends continue to be consistent with higher scores in the first and fourth quarters, fall and winter, and lower overall shopping scores during the height of the leasing season in the spring and summer quarters, the second and third. We have speculated for years that this up tick in leasing performance in the fall and winter is the result of hungrier leasing professionals trying harder in response to less rental prospects and pressure from management due to lower income and occupancy. What about YOUR company’s average leasing scores by quarter? We invite you to use our shopping report management tools to chart your own quarterly Benchmark averages to see if there is a similar trend. [www.epmsonline.com](http://www.epmsonline.com).



### **Gables Residential Services Repeats Top Position! Benchmark Average of 94.91% is fourth Highest Individual Company Score in the History of the Comparison!**

Last quarter, Atlanta-based **Gables Residential Services** established the highest all time average on the Quarterly *Shopping Report Performance Comparison* at 95.71%. Coming in first this quarter with an average shopping score of 94.91% on 279 total reports, this amazing group of leasing phenomena earned the **fifth highest** average in the history of this comparison. Despite adding a significant number of new communities in 2006 with the merging of the ING/Clarion portfolio, Gables Residential Services maintained an exceptional leasing presence. **Jana Muma**, Gables Residential Vice President of Training, gives full credit to her team members, including the Gables trainers who helped with the near overwhelming transition and growth the company experienced the past 18 months.

*“All Gables Residential associates deserve praise for achieving top placement on the Ellis Benchmark for the second quarter in a row. I would like to especially recognize our trainers and mentors who have helped prepare our new associates to be at a level that keeps us on top. Their encouragement and advice to the new team members has allowed us to maintain these high performance standards.”*

**CWS Apartment Homes** at 93.57% was second this quarter, just about a point behind. Coming in just a hair behind at the third position was, Atlanta-based **AMLI Residential** at 93.35%. Note that all three of our top tier companies this quarter are long-time participants in the **EPMS Quarterly Shopping Report Performance Comparison**. These companies are committed to leasing excellence and realize that high shopping scores reflect outstanding on-site leasing. They have training programs in place that comprehensively address leasing and create a culture that communicates to all associates, “We believe superior sales skills are important and you better model those skills in every leasing presentation.”

### **Look at the next Three Benchmark Positions! Fourth, Fifth, and Sixth Places!**

With so many outstanding apartment operators participating in our **Quarterly Shopping Report Performance Comparison**, it seems that we cannot recognize enough individual companies by keeping this letter to noting only the top three performers. Therefore, we have expanded our recognized Benchmark top rankings by three and will include the company that places fourth, fifth, and sixth highest in our shopping report average score comparison. This quarter, please acknowledge perennial Benchmark top performer, Dallas-based **Lincoln Property Company** at 92.75%, **AvalonBay Communities, Inc.** with an outstanding fifth place ranking of 92.71%, and **Tarragon Management, Inc.** at a very close sixth place finish of 92.31%.

### **TRAINING TO LEASE! Training Models that Produce Leasing Excellence.**

This quarter we begin our series on **Training to Lease**, best practices for training and equipping the sales people to be top performers. We will be drawing from the deep reservoir of experience, knowledge, and natural raw talent found in our many shopping clients and benchmark contributors. Thanks in advance to those who are so freely and openly sharing their successes with all the readers of the **EPMS Quarterly Shopping Report Performance Comparison**. One of those great examples of successful “Training for Leasing” is **Carol Gardner**, Senior Vice President, Education, with **AMLI Residential**. AMLI uses classroom training with a twist. Learners are required to complete pre-class assignments that cover the course topic basics. “Pre-class assignments range from reading articles or reviewing company policies to completing an activity that requires research to better understand the marketplace or comparables,” says Gardner. “With this preparation before the actual class, we can start with more advanced material and have time for some practical application of the concepts such as role playing or group exercises.”

**Pattie Woods**, Vice President of Training and Development at Memphis-based **Fogelman Management Group** uses the classroom model for teaching the company’s two core curriculum courses on **Beginners Leasing and Customer Service**. Tagged as **BYE Leasing and BYE Customer Service**, these classroom presentations present material to instill a **Beyond Your Expectation** mindset. Her company takes advantage of any meeting location offering a good learning environment such as a private clubroom, apartment association meeting room, or hotel. Woods tells us, “While we use the classroom model, we strive to make it personal and intimate. Groups over 30 are typically divided into two so there is a better teacher/student ratio.” With 51 properties in 10 states, advanced training is often delivered online or through training mentors who are more cost effective than the employee travel costs sometimes related to the classroom model.

“**LPC** energizes its classroom training with training directors who all have extensive on-site experience” says **Jennifer Staciokas**, Vice President, Marketing and Training. This is supplemented with online and hands-on instruction, but the core courses are usually classroom oriented. “Our training continues through the different stages of the employee’s career building on previous skills taught when initially hired,” adds Staciokas. **CWS Apartment Homes** recently reorganized their training department with the launching of their **CODE – Center of Development and Education** according to **Shellie McDaniel**, CWS’s Director of Training. “All classroom training will be *customer centered and results oriented*. Curriculum will focus on service skills that result in a better bottom line for the communities. The training department has been decentralized and new regional training directors have been hired to teach role-specific curriculum in both the classroom and one-on-one setting,” according to McDaniel.

**Curriculum Design** seems to be taking a different direction as industry trainers utilize more “customized” off-the-shelf products. Yet, the majority of those surveyed still prefer to create their training materials in-house. “Most of our Fogelman curriculum is self developed, but we utilize books and training material that are from outside our industry,” Woods reports. Many companies believe they can develop the best training curriculum in-house because it is specific to their needs and goals. Gardner of AMLI Residential explains, “We do create most of our own curriculum, although we are open to outside resources. We like to create materials in-house because they are specific to helping people be successful in our system. We can tailor them to our own policies and best practices.”

**Training to Lease** is the motor that drives an effective leasing program. All Benchmark top performing companies make a serious commitment to educating their on-site leasing team. Great leasing is not an accident, nor does it come without great effort. Next quarter, we will report on Best Practices in Online and Internet Training.

Thanks again for your participation in our quarterly survey. We appreciate your feedback. **Ellis** Property Management Services remains your *Partners in Mystery Shopping*. **Ellis** is the name that is synonymous with the finest mystery shopping in the apartment industry. We are also your source for an array of leasing and training related benefits that you will now find in the “Resources” section on our new and enhanced website, [www.epmsonline.com](http://www.epmsonline.com). Please click this link now and check it out!

Sincerely,

*Joanna Ellis*

Joanna Ellis, CAPS  
President  
jellis@epmsonline.com

Enclosure



**SHOPPING REPORT PERFORMANCE COMPARISON®  
MULTIFAMILY INDUSTRY BENCHMARK  
FIRST QUARTER, 2007**

QUESTION OVERALL AVERAGE	TELEPHONE PRESENTATION		ON-SITE PRESENTATION									CLIENT OVERALL AVERAGE
	Q1 Set Appointment	Q2 Telephone Number	Q3 First Impression	Q4 Identify Specific Needs	Q5 Discuss/ Show Property	Q6 Apt. Condition	Q7 Feature/ Benefit Sell	Q8 Overcome Objection	Q9 Ask for Deposit	Q10 Lease from Agent		
QUESTION OVERALL AVERAGE	85.81%	76.67%	92.17%	86.71%	92.67%	95.11%	89.02%	94.84%	64.31%	85.95%	86.33%	
Gables Residential	97.49%	90.32%	95.34%	96.42%	97.85%	95.70%	97.49%	96.06%	89.25%	93.19%	94.91%	
CWS Apartment Homes	95.24%	80.95%	97.62%	92.86%	95.24%	100.00%	100.00%	95.24%	83.33%	95.24%	93.57%	
Amli Residential	88.64%	88.07%	98.30%	94.89%	96.59%	99.43%	95.45%	98.86%	78.40%	94.89%	93.35%	
Lincoln Property Company	96.20%	84.56%	94.68%	95.95%	97.47%	97.22%	89.11%	96.46%	85.57%	90.13%	92.73%	
AvalonBay Communities, Inc.	90.88%	87.02%	96.96%	93.37%	98.07%	96.41%	95.03%	97.51%	78.45%	93.37%	92.71%	
Tarragon Management, Inc.	96.15%	86.54%	98.08%	92.31%	96.15%	96.15%	88.46%	98.08%	76.92%	94.23%	92.31%	
CLIENT 7	92.50%	85.00%	92.50%	87.50%	95.00%	95.00%	95.00%	97.50%	82.50%	95.00%	91.75%	
CLIENT 8	84.78%	78.26%	95.65%	91.30%	100.00%	93.48%	95.65%	93.48%	80.43%	95.65%	90.87%	
CLIENT 9	92.44%	87.39%	94.12%	92.44%	89.92%	97.48%	96.64%	97.48%	69.75%	90.76%	90.84%	
CLIENT 10	93.41%	92.31%	91.21%	90.11%	92.31%	97.80%	90.11%	95.60%	73.63%	87.91%	90.44%	
CLIENT 11	97.77%	84.44%	95.55%	77.78%	97.78%	100.00%	88.89%	97.77%	68.89%	93.34%	90.22%	
CLIENT 12	80.77%	69.23%	96.15%	97.12%	98.08%	100.00%	93.27%	97.12%	75.96%	92.31%	90.00%	
CLIENT 13	96.35%	78.83%	95.62%	92.70%	94.89%	97.81%	90.51%	93.43%	70.07%	86.86%	89.71%	
CLIENT 14	95.52%	85.07%	91.04%	95.52%	91.04%	95.52%	89.55%	95.52%	70.15%	88.06%	89.70%	
CLIENT 15	89.31%	72.96%	96.86%	88.05%	98.74%	92.45%	93.71%	98.11%	67.30%	94.34%	89.18%	
CLIENT 16	94.52%	80.82%	90.41%	87.67%	94.52%	91.78%	90.41%	97.26%	78.08%	84.93%	89.04%	
CLIENT 17	85.71%	77.55%	91.84%	87.76%	100.00%	93.88%	97.96%	95.92%	69.39%	89.80%	88.98%	
CLIENT 18	80.95%	76.19%	94.29%	85.71%	97.14%	97.14%	97.14%	95.24%	65.71%	93.33%	88.29%	
CLIENT 19	88.89%	80.95%	95.24%	87.30%	93.65%	97.62%	90.48%	93.65%	69.05%	85.71%	88.25%	
CLIENT 20	95.00%	68.33%	98.33%	96.67%	83.33%	85.00%	91.67%	95.00%	66.67%	91.67%	87.17%	
CLIENT 21	93.36%	80.61%	92.85%	86.22%	90.81%	95.41%	86.74%	93.37%	64.29%	84.70%	86.89%	
CLIENT 22	88.33%	80.47%	92.37%	84.06%	95.96%	96.63%	85.86%	94.95%	61.17%	83.95%	86.38%	
CLIENT 23	92.93%	69.70%	91.92%	92.93%	92.93%	95.96%	91.92%	93.94%	47.48%	88.89%	85.86%	
CLIENT 24	70.83%	91.67%	87.50%	89.58%	95.83%	97.92%	89.58%	93.75%	56.25%	85.42%	85.83%	
CLIENT 25	85.55%	77.46%	90.75%	91.33%	90.17%	93.06%	87.86%	94.22%	56.07%	88.44%	85.49%	
CLIENT 26	84.06%	75.36%	95.65%	86.96%	88.41%	98.55%	91.30%	95.65%	47.83%	89.86%	85.36%	
CLIENT 27	81.69%	64.79%	94.37%	90.14%	88.73%	94.37%	90.14%	91.55%	61.97%	92.96%	85.07%	
CLIENT 28	85.21%	67.61%	87.32%	84.51%	94.37%	94.37%	88.03%	92.96%	65.49%	80.99%	84.08%	
CLIENT 29	87.50%	76.32%	94.74%	88.16%	89.47%	94.74%	81.58%	95.39%	48.68%	82.89%	83.95%	
CLIENT 30	92.78%	67.01%	91.75%	80.41%	87.63%	93.81%	86.60%	96.91%	59.79%	78.35%	83.51%	
CLIENT 31	75.00%	89.13%	93.48%	78.26%	89.13%	96.74%	89.13%	97.83%	35.87%	79.35%	82.39%	
CLIENT 32	73.40%	55.85%	90.43%	87.77%	91.49%	95.74%	88.83%	94.15%	56.38%	81.91%	81.60%	
CLIENT 33	82.35%	62.75%	82.35%	79.41%	96.08%	90.20%	93.14%	93.14%	47.06%	76.47%	80.29%	
CLIENT 34	75.83%	61.14%	88.15%	80.57%	93.84%	96.68%	77.25%	93.84%	48.82%	78.67%	79.48%	
CLIENT 35	50.79%	65.08%	85.71%	84.13%	87.30%	95.24%	88.89%	73.02%	66.67%	84.13%	78.10%	
CLIENT 36	67.76%	67.29%	86.45%	77.10%	78.97%	84.58%	84.58%	90.65%	49.07%	77.57%	76.40%	
CLIENT 37	69.59%	61.99%	85.38%	68.42%	78.36%	91.23%	82.46%	95.32%	45.61%	76.02%	75.44%	
CLIENT 38	71.70%	64.15%	86.79%	65.09%	83.02%	83.96%	80.19%	91.51%	42.45%	77.36%	74.62%	
CLIENT 39	67.10%	60.00%	78.06%	69.03%	77.42%	92.90%	81.94%	89.68%	40.65%	70.32%	72.71%	
CLIENT 40	57.50%	47.50%	82.50%	70.00%	72.50%	92.50%	82.50%	95.00%	42.50%	65.00%	70.75%	

\* Representing 5,809 shopping reports

Participating Companies:

Amli Residential	Greystar Management
Archstone Communities	JPI
AvalonBay Communities, Inc.	Legacy Partners
BH Management Services, Inc.	Lincoln Property Company
Bozzuto & Associates	Lynd Company, The
BRE Properties	Lyon Apartment Communities
Capreit	Metric Property Management
Capstone Real Estate	Milestone Management
Carmel Partners	Orion Real Estate Services, Inc.
Colonial Properties Trust	Pinnacle Realty Management
Concord Management	Post Properties
The Connor Group	Prometheus Real Estate Group
CTL Management, Inc.	RAM Partners, LLC
CWS Apartment Homes	Sequoia Equities
Drucker & Falk, LLC	Simpson Property Group
E & S Ring Corporation	Tarragon Management, Inc.
Equity Residential	United Dominion Realty Trust (UDRT)
Fairfield Residential	Village Green Companies
Fogelman Management Group	Waterton Residential
Gables Residential Services	Weidner Investment Services

Benchmark 1st Place Company:

Gables Residential Services  
Jana Muma - Vice President of Training

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