



The EPMS *Shopping Report Performance Comparison* A Multifamily Industry Benchmark 3rd Quarter 2007

Greetings from your friends at *Ellis, Partners in Mystery Shopping!* It is hard to believe that another quarter has passed and we are rolling out the third quarter, 2007 EPMS *Quarterly Shopping Report Performance Comparison*. For over 8 years, Ellis, Partners in Mystery Shopping has provided the multi-family industry with the most anticipated national leasing performance comparison among top rated companies.

National Apartment Rents and Occupancy Improve. We would like to believe our long term mystery shopping presence has made a difference as we note national apartment rents and occupancy have improved slightly this quarter according to preliminary data from Reis, Inc. The New York research firm said asking rents rose by 1.3% to an average \$1,015/unit, while vacancies declined by 20 basis points to 5.6%. Effective rents, which take into account concessions such as free rent, rose as well, by 1.4% to \$964/unit. Among the strongest markets in the nation are New York City, which saw a 3.6% increase in effective rents during the quarter, San Francisco, with a 3.4% increase, San Jose, 3.3%, and Fairfield County, CT with 2.9%.

The EPMS *Quarterly Shopping Report Comparison*, more commonly known as “The Benchmark”, allows companies to compare their leasing performance to other national and regional operators. The standard by which this comparison is made is found in the ten leading and universal performance questions common to all telephone and in-person mystery shopping reports. By measuring the affirmative answers to these ten questions, we can rank participating companies on a fair, weighted and equal basis according to their average shopping report score. A minimum of 40 shops during the quarter is required in order to be included in “The Benchmark” comparison and thereby benefit from knowing exactly how your leasing team performance compares to that of other companies.

The Third Quarter of 2007

42 Participating Companies Representing 5,240 Total Shops! Many thanks go out to all of the current companies who contributed their shopping report data for the *Shopping Report Performance Comparison*.

Alliance Residential Company
Amli Residential
AvalonBay Communities, Inc.
BH Management Services, Inc.
Bozzuto & Associates
BRE Properties
Capreit
Capstone Real Estate
Carmel Partners
Colonial Properties Trust
Concord Management
The Connor Group
CTL Management, Inc.
CWS Apartment Homes

Drucker & Falk, LLC
E & S Ring Corporation
Fairfield Residential
Fogelman Management Group
Gables Residential Services
Greystar Management
JPI
Legacy Partners
Lincoln Property Company
Lynd Company, The
Lyon Apartment Communities
Madison Apartment Group LP
Metric Property Management
Milestone Management

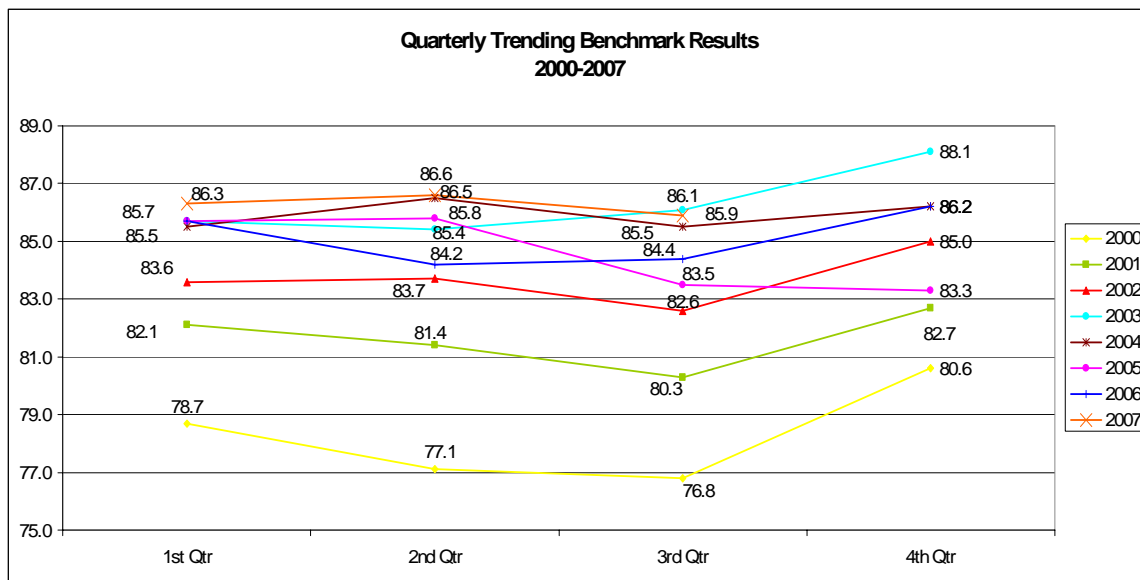
Orion Real Estate Services, Inc.
Pinnacle Realty Management
Post Properties
Prometheus Real Estate Group
RAM Partners, LLC
Sequoia Equities
Simpson Property Group
SPM Inc.
Tarragon Management, Inc.
United Dominion Realty Trust (UDRT)
Village Green Companies
Waterton Residential
Weidner Investment Group
Zom Residential Services, Inc.

A High Score of 95.7% is a First for the Third Quarter!

This quarter’s participating companies achieved an average Benchmark score of 85.9% which is a slight decrease from the previous quarter; however, this is the first time that any company’s average score has reached 95.7% in the third quarter. This high average represents another movement toward a positive trend for the historically lower performance in the second and third quarters during Benchmark history. The historical average for the high company score is 92.1% so it is easy to see why this quarter’s high score is such an accomplishment.

Third Quarter	Overall Average	Company Score – Average Ranges		Total Shops
		High	Low	
3 rd Quarter 2007	85.9%	95.7%	68.2%	5,240
3 rd Quarter 2006	84.4%	92.5%	72.9%	5,001
3 rd Quarter 2005	83.5%	95.6%	60.5%	5,256
3 rd Quarter 2004	85.5%	94.7%	75.5%	4,879
3 rd Quarter 2003	86.1%	94.1%	73.5%	5,103
3 rd Quarter 2002	82.6%	90.3%	69.5%	2,434
3 rd Quarter 2001	80.3%	94.3%	66.0%	2,066
3 rd Quarter 2000	76.8%	83.4%	56.2%	1,606

Since the inception of the Benchmark Report, the average Benchmark score for the third quarter is 82.74%. It is apparent that the participating companies continue to strive to beat the trends by inching up this overall average third quarter score year after year. This 2007 average is the best it has been in three years and represents a 1.5% improvement from third quarter, 2006.



This quarter’s letter will feature something a little different as we hear from the top companies’ exceptional on-site performers to get their take on how training has played a role in their professional growth.

Gables Residential Claims Top Position for Fourth Time! With an average score of **95.74%**, Gables adds to their list of record breaking awards as they now hold the record for the highest third quarter average company score in the history of the comparison. **Jana Muma**, Vice President of Training for Gables Residential, expressed her enthusiasm for her company’s consistent top performance.

“What an amazing accomplishment by the entire Gables team! The ability to consistently maintain this level of performance in spite of the change we have faced in both the Learning & Development Department and the overall organization exemplifies our team’s talent and continued ability to execute. I would like to personally congratulate each one of our associates for this record breaking achievement!”

Mauva Hollingsworth, Leasing Professional at Gables Wellington Apartments, Wellington, FL said this about her company’s training benefits, “Gables initial training program provides an employee with a great understanding of the industry itself and the continuing education enables someone like me to solidify my knowledge. The standards at Gables are high and that aspect comes through in the training.”

Advancing to the **Second Place** position for this third quarter 2007 is **Lincoln Property Company** with an average score of **94.01%**. **Scott Fleming**, Business Manager at Lincoln at Fairlane Town Center, Dearborn, MI attributes much of his success to the one on one training that his Regional Training Director provided during his first week in his new role. In addition, he

stated that, “The classroom training that Lincoln provides allows individuals to learn from peers and benefit from the synergy of a group.”

In **Third Place** for this round is **Avalon Bay Communities, Inc.** with an average score of **92.86%**. This marks the company’s first time to break into a top three position. Vice President, National Operations, **Mona Stahling**, is elated by her team’s achievement.

“We are very excited and proud to be in the top-3 ranking! This accomplishment reflects the focus and training we place on delivering a consistent sales experience. Our shopping program with EPMS has gained the attention of associates across the organization and is incorporated in our associate recognition and incentive programs. The sales experience is an important part of our Customer Service promise to “Invest the Time” in our residents and prospects, whether interacting with them over the phone, over the Internet, or face-to-face.

Training is a key to performance according to **Carrie Carlson** who works at Avalon on the Alameda, San Jose, CA. “I came to Avalon Bay with no prior leasing experience, and they provided me with the tools that I need to succeed. Between the week long initial training classes, some conference call sessions and our regional *Leasing Pow Wow* which is held twice a year, Avalon continues to help its employees grow and learn.”

Taking **fourth place** is **Amlı Residential** with a score of **92.37%**. **Amy Hurdsman**, a Leasing Manager at Amlı La Villita, Irving, TX has found the well roundedness of the Amlı training program to be the best she has experienced. “Both online training and classroom training are offered here. I have had the opportunity to continue my education through some upper level classes which I hope will enable me to teach others as well. I like the fact that we are mystery shopped on a regular basis because it always provides me with an opportunity to improve.”

Carmel Partners rounds out the **top five** with an average score of **92.26%**. “Carmel Partners provides a platform training program that includes lectures, seminars and online training. I’ve really benefited from the classroom setting where I can learn from another person’s expertise. In addition, I appreciate that at Carmel we’re taught to learn from our mistakes and go forward,” said **Ranae Fugita**, a Leasing Professional at Silver Reef Apartments, Lakewood, CO.

Training Trends Promote Professional Growth

In a continuing effort to examine all of the different training methods being used by our participating companies we spoke with **Debbie Oaks, Director - Training and Associate Development for Village Green Companies**. Village Green is currently operating not only a classroom training program for its newly hired on-site personnel but the company also offers more than 50 courses using a video conference format as part of their University of Village Green. “This format works well for us because our employees still get the benefit of an instructor led classroom format without the expenses tied to travel. In addition, we have found that our employees are more engaged during video conferencing. With web based training, employees can be interrupted for any number of reasons during a self administered program. The video conference is set up just like a classroom except that the instructor is live on video.” She adds that Village Green offers web based training as part of its comprehensive training program but these classes are geared more toward operations, maintenance and technical areas.

Karen Brandell, Director of Educational Services with Concord Management reports that the company has set some important goals in the training arena for 2008. “Our challenge was trying to be economical but also to provide the energy and resources needed to train the masses. After extensive research of companies both in and out of our industry, we are planning to roll out what we will call a *new day* of training at Concord. The program will be blended to include web based classes for some of the basics, but the bulk of our core classes will be handled in a classroom setting. Our expectation is that we will see better employee retention and a higher return on our training investment.” Karen added, “Our new program will allow us to more quickly identify performance issues which will be a positive for both the employees and the bottom line.”

During the many interviews with the on-site professionals, it was unanimous that each received the greatest direct benefit to their role from one on one or classroom style training. The “hands on” experience was the best learning tool for those who are on the front line every day. Carrie Carlson summarized it simply, “It’s great to be around your peers and hear what is working best for them. Personal mentoring is still the best education.” Direct coaching, mentoring and role playing still seem to be the most preferred learning experience by the sales associates.

Our interviews indicated that many of the benchmark participating companies are continually evaluating their training programs to update their format and ensure the content is most effective. From online classes to one on one mentoring type

programs, it appears that many of our top companies are utilizing multiple training methods to achieve sales and leasing excellence.

Thank you for your participation in the quarterly survey. We appreciate all of the enthusiasm and candor that you and your team members share to enhance the strength and solidarity of our industry. We hope you will find Ellis, Partners in Mystery Shopping to be not only the finest source for mystery shopping but also a training resource for your organization.

Sincerely,

Joanna Ellis

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President
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Enclosure



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

	TELEPHONE PRESENTATION		ON-SITE PRESENTATION								CLIENT OVERALL AVERAGE
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	
	Set Appointment	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	86.28%	76.05%	92.14%	86.45%	91.22%	94.28%	86.87%	94.75%	65.80%	85.50%	85.93%
Gables Residential	96.89%	88.24%	98.27%	97.23%	97.92%	97.58%	97.58%	98.96%	89.62%	95.16%	95.74%
Lincoln Property Company	97.37%	88.07%	95.94%	95.70%	89.26%	98.09%	99.05%	98.81%	87.11%	90.69%	94.01%
AvalonBay Communities, Inc.	95.81%	89.66%	95.07%	91.38%	99.01%	96.06%	86.70%	99.26%	82.02%	93.60%	92.86%
Amlı Residential	95.39%	80.92%	96.71%	94.73%	94.73%	99.34%	96.05%	98.68%	75.00%	92.11%	92.37%
Carmel Partners	94.73%	82.71%	96.99%	96.24%	94.73%	96.99%	96.99%	98.50%	76.69%	87.97%	92.26%
CLIENT 6	92.45%	81.13%	96.23%	92.45%	100.00%	98.11%	90.57%	88.68%	83.02%	92.45%	91.51%
CLIENT 7	90.52%	82.76%	95.69%	91.38%	94.83%	96.55%	99.14%	96.55%	72.41%	93.10%	91.29%
CLIENT 8	98.53%	94.12%	94.12%	94.12%	89.71%	91.18%	88.24%	94.12%	73.53%	83.82%	90.15%
CLIENT 9	100.00%	97.83%	85.87%	90.22%	92.39%	96.74%	90.22%	95.65%	70.65%	80.43%	90.00%
CLIENT 10	95.12%	85.37%	95.12%	92.68%	95.12%	95.12%	90.24%	97.56%	63.41%	87.80%	89.76%
CLIENT 11	78.26%	65.22%	100.00%	93.48%	97.83%	97.83%	100.00%	91.30%	73.91%	97.83%	89.57%
CLIENT 12	98.36%	83.61%	95.08%	96.72%	96.72%	78.69%	95.08%	93.44%	70.49%	86.89%	89.51%
CLIENT 13	93.55%	76.77%	94.20%	88.39%	93.55%	95.48%	93.55%	93.55%	70.32%	89.03%	88.84%
CLIENT 14	81.82%	84.09%	88.64%	93.18%	93.18%	95.45%	90.91%	100.00%	70.45%	88.64%	88.64%
CLIENT 15	82.35%	68.63%	96.08%	94.12%	98.04%	94.12%	88.24%	100.00%	70.59%	90.20%	88.24%
CLIENT 16	92.73%	70.91%	92.73%	92.73%	94.55%	98.18%	85.46%	98.18%	67.27%	89.09%	88.18%
CLIENT 17	96.88%	71.09%	93.75%	89.06%	96.88%	96.88%	92.97%	93.75%	60.16%	89.06%	88.05%
CLIENT 18	88.89%	66.67%	95.06%	88.89%	96.91%	96.30%	91.36%	97.53%	67.90%	88.89%	87.84%
CLIENT 19	87.23%	75.53%	91.49%	87.23%	94.68%	96.81%	94.68%	92.55%	65.96%	89.36%	87.55%
CLIENT 20	91.13%	70.97%	95.16%	84.68%	96.77%	98.39%	87.10%	92.74%	67.74%	83.87%	86.85%
CLIENT 21	92.11%	78.95%	92.11%	76.32%	100.00%	86.84%	92.11%	94.74%	65.79%	89.47%	86.84%

Participating Companies

Alliance Residential Company	Legacy Partners
Amlı Residential	Lincoln Property Company
AvalonBay Communities, Inc.	Lynd Company, The
BH Management Services, Inc.	Lyon Apartment Communities
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Drucker & Falk, LLC	SPM, Inc.
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Fairfield Residential	UDR
Fogelman Management Group	Village Green Companies
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Greystar Management	Weidner Investment Services
JPI	ZOM Residential

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Benchmark 1st Place Company

Gables Residential Services

Jana Muma - Vice President of Training

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THIRD QUARTER, 2007**

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QUESTION OVERALL AVERAGE	86.28%	76.05%	92.14%	86.45%	91.22%	94.28%	86.87%	94.75%	65.80%	85.50%	85.93%
CLIENT 22	80.88%	66.18%	90.44%	92.65%	94.85%	94.12%	94.12%	98.53%	67.65%	84.56%	86.40%
CLIENT 23	80.00%	74.00%	90.00%	88.00%	94.00%	94.00%	89.00%	93.00%	71.00%	88.00%	86.10%
CLIENT 24	84.52%	65.48%	94.05%	86.90%	91.67%	97.62%	91.67%	95.24%	64.29%	88.10%	85.95%
CLIENT 25	90.07%	63.12%	90.78%	87.23%	92.91%	93.62%	89.36%	92.20%	74.47%	83.68%	85.75%
CLIENT 26	83.87%	74.19%	93.55%	85.48%	88.71%	83.87%	93.55%	96.77%	53.23%	88.71%	84.19%
CLIENT 27	84.71%	70.59%	90.59%	80.00%	94.12%	89.41%	90.59%	92.94%	61.18%	80.00%	83.41%
CLIENT 28	81.90%	72.38%	86.67%	88.57%	90.95%	93.33%	85.24%	94.76%	48.10%	80.95%	82.29%
CLIENT 29	86.06%	80.08%	92.03%	74.10%	88.45%	96.02%	69.72%	93.63%	60.56%	79.68%	82.03%
CLIENT 30	78.26%	73.91%	86.96%	73.91%	86.96%	97.83%	84.78%	93.48%	65.22%	76.09%	81.74%
CLIENT 31	67.05%	89.77%	89.77%	79.55%	89.77%	94.32%	92.05%	90.91%	45.45%	75.00%	81.36%
CLIENT 32	82.69%	71.63%	87.50%	80.77%	82.69%	87.98%	87.50%	91.35%	52.88%	79.33%	80.43%
CLIENT 33	86.60%	64.95%	87.63%	82.47%	78.35%	90.72%	87.63%	92.78%	49.48%	74.23%	79.48%
CLIENT 34	45.00%	75.00%	93.33%	76.67%	95.00%	90.00%	88.33%	91.67%	53.33%	85.00%	79.33%
CLIENT 35	55.95%	75.00%	85.71%	83.33%	91.67%	91.67%	94.05%	72.62%	51.19%	85.71%	78.69%
CLIENT 36	71.81%	57.72%	87.92%	77.85%	85.91%	91.95%	89.26%	90.60%	46.31%	81.88%	78.12%
CLIENT 37	81.67%	72.91%	93.75%	88.75%	85.00%	97.50%	21.25%	95.42%	59.16%	83.75%	77.92%
CLIENT 38	82.35%	63.24%	91.18%	72.06%	89.71%	75.00%	88.24%	94.12%	38.24%	80.88%	77.50%
CLIENT 39	88.75%	48.75%	81.25%	77.50%	83.75%	97.50%	88.75%	92.50%	35.00%	73.75%	76.75%
CLIENT 40	45.65%	52.17%	84.78%	73.91%	84.78%	97.83%	80.43%	95.65%	41.30%	76.09%	73.26%
CLIENT 41	68.61%	62.04%	85.40%	62.77%	78.10%	83.21%	86.13%	91.24%	41.61%	69.34%	72.85%
CLIENT 42	58.87%	60.28%	80.14%	57.45%	68.79%	86.52%	75.89%	85.82%	38.30%	69.50%	68.16%

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