



**The EPMS Shopping Report Performance Comparison  
A Multifamily Industry Benchmark  
4<sup>th</sup> Quarter 2002**

It appears that this New Year is starting off right! The stock market is up (at least on the day of this writing) and many experts predict that the US apartment outlook will be "flat" rather than continuing to decline! Yet, the overall economy remains sluggish and the possibility of a war with Iraq keeps many businesses and apartment rental prospects waiting for signs of new life. The perceived uncertainty in the economy and world events is slowing *job creation* and *apartment demand*; two unfavorable trends to our industry.

Tough times can be the best times for the companies that know how to perform in this sort of soft and very competitive apartment market! The winners in the 2003 "battle for the residents" will be those firms who strategically combine appropriate belt-tightening and innovative outreach (marketing!) to renters while maintaining a keen commitment to their on-site teams. The focus for this New Year must be **generating traffic and closing leases**. This objective includes retention, the "releasing" of current residents to additional lease terms.

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

If you are new to this comparison, an explanation may be helpful. Our summary, started in the First Quarter 2000, now offers you three full years of data. This benchmark of leasing performance was created 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?" Our "shopping report performance comparison" answers this question by allowing you to compare yourself to other national and regional operators.

With consultation from our major customers, EPMS has identified the ten leading and universal performance questions that are common to all telephone/on-site mystery shopping reports. The *Quarterly Shopping Report Performance Comparison* measures the affirmative answers to those ten key and universal shopping report questions.

**21 Participating Companies Representing 2,145 Total Shops**

We welcome Walden Residential, our newest participating firm, to this quarter's comparison. As always, we are indebted to the regional and nationwide management companies who allow EPMS to use their shopping scores for comparison. 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 20 shops during the quarter is required to be included. We want to identify and warmly thank the current companies who contributed their shopping data to this quarter's *Shopping Report Performance Comparison*.

AIMCO	E & S Ring Corporation	Lincoln Property Company
AmlI Residential	Equity Residential Properties	Post Properties
BRE Properties	Fairfield Residential	Tarragon Management
Capreit	Fogelman Management Group	Trammell Crow Residential Services
ConAm Management	Forest City Residential Management	Village Green
CWS Apartment Homes	Gables Residential Services	Walden Residential
David Drye Company	Greystar Management Services	Windsor Communities

**Lincoln Property Company tops List!**

For an unprecedented fifth consecutive quarter, LPC has earned the top position on this nationwide comparison. LPC continues to dedicate itself to leasing excellence through consistent and effective training and high expectations of their leasing professionals. Maria Lawson, LPC Vice President of Marketing and Training, credits the diligence of their employees for their success:

"The efforts and spirits of our employees proved triumphant in 2002. Through the economic and property management adversities faced every day, the people who are the backbone of this company have displayed a diligent and dedicated attitude and have created their own successes. It is our desire to achieve greatness, but our greater desire is for our people to succeed. Congratulations to our steadfast and committed team, and we can only encourage the same level of performance for 2003!"

**4<sup>th</sup> Quarter Performance Score Indicators - 2000 - 2002**

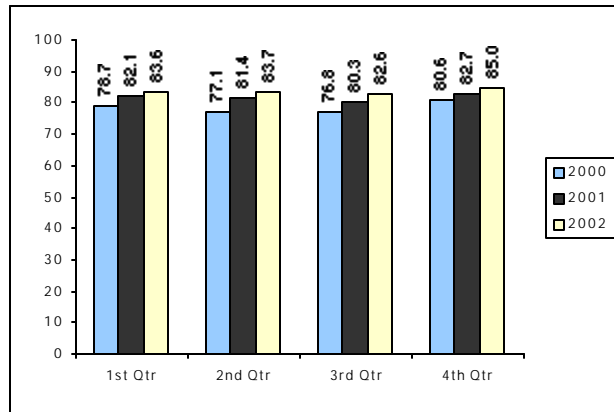
LPC's 90.8% average score is highest ever in the 4<sup>th</sup> quarter! Yet, **all participants continue to show improved performance.** The chart below illustrates the improving 4<sup>th</sup> Quarter average company scores.

4 <sup>th</sup> Quarter	Overall Average	Company Score – Average Ranges		Total Shops
		High	Low	
4 <sup>th</sup> Quarter 2002	85.0%	90.8%	75.2%	2,145
4 <sup>th</sup> Quarter 2001	82.7%	88.9%	64.7%	1,917
4 <sup>th</sup> Quarter 2000	80.6%	89.2%	60.0%	1,261

The improvement in the high/low ranges and the narrowing of the difference between the range averages indicates a more competitive field. Participating companies in this 4<sup>th</sup> Quarter 2003 report post a 15.6 point gap between the top and the bottom finishers compared to a 24.2 and 29.2 point spreads in 2001 and 2000. As astute companies respond to the challenges inherent in the current U.S. apartment market, we see average Performance Scores creeping closer to one another with a more crowded field at the top of the rankings.

**4<sup>th</sup> Quarter sets Performance Comparison Record at 85.0%**

Not only does this mark the highest 4<sup>th</sup> Quarter overall average, the 85.0% is also a record score for the 3-year history of the survey! The companies who focus on maintaining occupancy and preserving their NOI have developed systems and training to reach a higher level of on-site sales expertise. This 4<sup>th</sup> Quarter also continues the trend of being the quarter with the highest average of the year. We have speculated in previous Performance Comparison letters that this predictable phenomenon is due to reduced traffic flow producing greater urgency, more favorable weather, and a greater sense of goodwill due to the holidays.



Yet in general, we are dismayed by the mediocre performance of the on-site leasing professionals. Remember, this *Shopping Report Performance Comparison* reflects only companies that choose to participate, have training as a priority, and make leasing excellence a corporate mandate! It does not include ALL of the shopping reports we provide to companies nationwide. These benchmark scores are much higher than average shops because the participating firms focus on leasing and, frankly, scoring high on the *Performance Comparison*.

Continued middling performance has become more visible as many of our on-site professionals face a tough market for the first time. Rather than rising to this competitive challenge, they seem shell shocked or even worse, simply indifferent. Furthermore, they are constantly getting measured, monitored, poked, and hammered about their "numbers" while not armed with the knowledge or experience to know how to react or make a difference. We see fewer Super Stars emerging and more leasing folks who feel overworked and stressed out by expectations they do not fully grasp. The solution may be in the way the on-site teams are managed. A frantic regional supervisor who is struggling to reach his performance numbers may neglect to provide the mentoring, training, motivation, and recognition these "sales personalities" require to remain effective leasers!

### Other Noteworthy Observations:

- **Less Training/Better Performance...NOT!** – Last quarter we noted that numerous clients reported cutting back on their training departments while still receiving high shopping scores. An informal review of scores indicates that the reduced training may be resulting in equally decreased performance. Furthermore, we have noted several MAJOR companies who have actually revved up their training efforts and have established substantial short and long term training initiatives. We recommend that any training cutbacks include only the fluff stuff such as “time management” or “model/decorating techniques”. If the “BASICS” are not taught, monitored, modeled, and expected, the negative and NOI-harmful effects will be evident in a much more serious way than simply lower shopping report scores!
- **Still Not Asking for Deposits** – The lowest average score on the ten benchmark questions remains #9, “*Did the consultant ask you to leave a deposit?*” As an active market consulting company with seven current property lease-ups, our closing ratios are directly related to the leasing professional's ability to CLOSE HARD. EPMS demands a relationship building sales presentation from its leasing professionals. One that treats the prospect as a human being who needs a home...not just a piece of “traffic”. Yet, when the community truly offers what the prospect needs, we ask directly once *or more* for the money! We feel strongly that this is still a missing ingredient in many otherwise good leasing presentations.

The *EPMS Shopping Report Performance Summary* is an excellent tool to help you shape your company training programs to address specific strengths and weaknesses of your Leasing Professionals.

Ellis Property Management Services (EPMS), AMO, has been providing comprehensive, executive-ready shopping reports nationwide for more than 18 years. Our references include some of the largest and most well-known property management companies in the country. Shopping reports are the foundation of our company! EPMS also provides an array of training seminars, education curriculum design, and consulting that can impact leasing performance and effectiveness. For more information on EPMS' services, please contact Joanna Ellis, CAPS at (972) 256-3767 or by email, [jjellis@epmsonline.com](mailto:jjellis@epmsonline.com). You can also visit our web site, [www.epmsonline.com](http://www.epmsonline.com).



**SHOPPING REPORT PERFORMANCE SUMMARY®  
MULTIFAMILY INDUSTRY BENCHMARK  
FOURTH QUARTER, 2002**

	QUESTION OVERALL AVERAGE	Lincoln Property Company	CLIENT 2	CLIENT 3	CLIENT 4	CLIENT 5	CLIENT 6	CLIENT 7	CLIENT 8	CLIENT 9	CLIENT 10	CLIENT 11	CLIENT 12	CLIENT 13	CLIENT 14	CLIENT 15	CLIENT 16	CLIENT 17	CLIENT 18	CLIENT 19	CLIENT 20	CLIENT 21	
<b>TELEPHONE PRESENTATION</b>																							
1.	Did the consultant attempt to set an appointment with you?	84.5%	88.3%	94.1%	84.6%	89.4%	96.3%	88.1%	93.6%	92.9%	90.5%	76.3%	78.3%	82.1%	82.9%	82.9%	82.8%	74.1%	77.4%	88.6%	81.6%	74.2%	72.5%
2.	Were you asked for your telephone number(s)?	65.1%	81.2%	70.6%	79.5%	72.5%	55.6%	69.0%	75.5%	78.6%	76.2%	52.7%	60.9%	60.7%	75.6%	43.9%	46.9%	51.9%	58.1%	74.3%	73.7%	46.5%	41.7%
<b>ON-SITE PRESENTATION</b>																							
3.	Did the consultant make a positive first impression on you?	93.0%	93.8%	92.6%	100.0%	94.5%	96.3%	100.0%	95.5%	91.1%	92.9%	95.7%	91.3%	91.1%	96.3%	95.1%	94.5%	94.4%	83.9%	85.7%	81.6%	86.5%	89.2%
4.	Did the consultant determine if you had any specific needs or preferences?	87.6%	93.2%	91.2%	97.4%	89.4%	85.2%	78.6%	84.5%	91.1%	88.1%	94.6%	91.3%	83.9%	68.3%	92.7%	86.3%	90.7%	80.6%	80.0%	71.1%	85.2%	81.7%
5.	Did the consultant discuss and/or point out amenities and facilities of the property?	94.9%	98.0%	98.5%	97.4%	96.1%	96.3%	97.6%	96.4%	96.4%	97.6%	96.8%	93.5%	98.2%	93.9%	90.2%	97.3%	87.0%	93.5%	85.7%	94.7%	87.1%	85.8%
6.	Did the consultant show you an apartment that was clean, made ready, and comfortable in temperature?	94.4%	95.6%	98.5%	100.0%	97.6%	100.0%	97.6%	97.3%	92.9%	90.5%	95.7%	91.3%	96.4%	93.9%	90.2%	92.6%	98.1%	90.3%	85.7%	92.1%	89.7%	90.8%
7.	Did the consultant sell benefits for the features discussed in the apartment?	88.9%	92.7%	89.7%	89.7%	96.1%	88.9%	88.1%	94.5%	87.5%	83.3%	94.6%	94.6%	98.2%	81.7%	87.8%	89.1%	87.0%	83.9%	71.4%	65.8%	77.4%	77.5%
8.	Did the consultant effectively overcome any objections you raised?	95.4%	98.0%	95.6%	97.4%	96.9%	100.0%	97.6%	95.5%	94.6%	92.9%	96.8%	92.4%	96.4%	93.9%	92.7%	97.3%	94.4%	90.3%	94.3%	92.1%	90.3%	90.0%
9.	Did the consultant ask you to leave a deposit?	59.5%	77.7%	75.0%	53.8%	71.4%	70.4%	71.4%	61.8%	58.9%	57.1%	46.2%	62.0%	35.7%	48.8%	53.7%	39.1%	53.7%	58.1%	54.3%	42.1%	50.3%	45.0%
10.	Based on the consultant's presentation, would you have leased the apartment?	86.9%	89.2%	89.7%	92.3%	87.8%	100.0%	97.6%	90.0%	91.1%	85.7%	89.2%	80.4%	87.5%	90.2%	90.2%	89.1%	83.3%	83.9%	80.0%	76.3%	77.4%	77.5%
<b>CLIENT OVERALL AVERAGE</b>		<b>85.0%</b>	<b>90.8%</b>	<b>89.6%</b>	<b>89.23%</b>	<b>89.18%</b>	<b>88.9%</b>	<b>88.6%</b>	<b>88.5%</b>	<b>87.5%</b>	<b>85.5%</b>	<b>83.9%</b>	<b>83.6%</b>	<b>83.0%</b>	<b>82.6%</b>	<b>82.0%</b>	<b>81.484%</b>	<b>81.481%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>77.1%</b>	<b>76.5%</b>	<b>75.2%</b>

\* Representing 2145 shopping reports

**Participating Companies:**

AIMCO  
Amli Residential  
BRE Properties  
Capreit  
ConAm Management  
CWS Apartment Homes  
David Drye Company  
E & S Ring Corporation  
Equity Residential Properties  
Fairfield Residential  
Fogelman Management Group

Forest City Residential Management  
Gables Residential Services  
Greystar Management Services  
Lincoln Property Company  
Post Properties  
Tarragon Management  
Trammell Crow Residential Services  
Village Green  
Walden Residential  
Windsor Communities

**Benchmark 1st Place Company: Lincoln Property Company**  
Maria Lawson - Vice President of Marketing and Training

*The efforts and spirits of our employees proved triumphant in 2002. Through the economic and property management adversities faced every day, the people who are the backbone of this company have displayed a diligent and dedicated attitude and have created their own successes. It is our desire to achieve greatness, but our greater desire is for our people to succeed. Congratulations to our steadfast and committed team, and we can only encourage the same level of performance for 2003!*