



The EPMS *Shopping Report Performance Comparison* A Multifamily Industry Benchmark 4th Quarter 2007

Happy New Year! We are thrilled to roll out the **Fourth Quarter, 2007 EPMS Quarterly *Shopping Report Performance Comparison***. Ellis, Partners in Mystery Shopping provides the multi-family industry with the most anticipated national leasing performance comparison among top rated companies.

In the fourth quarter, overall average occupancy for the nation's apartments ended 2007 at 94.2%, according to Marcus & Millichap Real Estate Investment Services. Rent increases averaged 4.5% during the year. This strong performance should continue through 2008 as new supply is balanced by increasing renter demand. Just over 100,000 new units are scheduled for delivery in 2008. This represents an increase over 2007, when approximately 84,000 units were added to the market.

Employment growth slowed from about 1.7% in 2006, to an estimated 1.1% in 2007, and may drop to 0.9% in 2008. Although employment growth may not generate as much new renter demand as in recent years, fallout from the sub prime mortgage problems will add to the resident pool as foreclosures turn homeowners into renters. The additional demand created by "echo boomers" who graduate in the coming year creates the formula for a stable and improving national apartment market for 2008. Overall occupancy should remain in the low 94% range; with 4% average rent increases in 2008.

This favorable 2008 projection reflects outstanding performance of our top companies' in this quarter's Benchmark Report. The EPMS Quarterly *Shopping Report Performance 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 Benchmark score. A minimum of 40 shops during the quarter is required in order to be included in "The Benchmark" comparison. The participating companies benefit from knowing exactly how their leasing teams performance compares to that of other companies.

43 Participating Companies Representing 5,079 Total Shops! We extend a warm welcome to Western National Group who is a new participant in the comparison this quarter, and as always, many thanks go out to all of the current companies who contribute their shopping report data for the *Shopping Report Performance Comparison*.

Alliance Residential Company
Amlis Residential
Avalon Bay 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

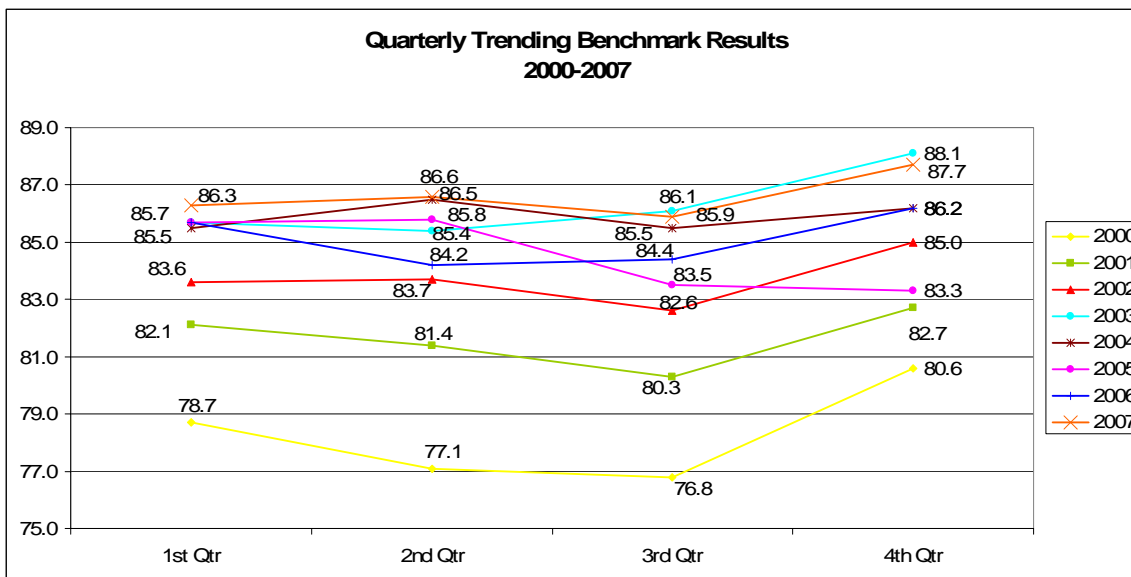
E & S Ring Corporation
Equity Residential
Fairfield Residential
Fogelman Management Group
Gables Residential Services
Greystar Management
JPI
Legacy Partners
Lincoln Property Company
Lynd Company, The
Lyon Apartment Communities
Madison Apartment Group LP
Metric Property Management
Milestone Management

Orion Real Estate Services, Inc.
Pinnacle Realty Management
Post Properties
Prometheus Real Estate Group
RAM Partners, LLC
Sequoia Equities
Simpson Property Group
Tarragon Management, Inc.
UDR, Inc.
Village Green Companies
Waterton Residential
Weidner Investment Group
Western National Group
Zom Residential Services, Inc.

What a finish to a terrific year of record breaking scores! This quarter’s participating companies achieved a praise worthy average Benchmark score of 87.7% which is the second highest score in the history of the Benchmark. Only in the fourth quarter of 2003 did the combined group of participants fair better. The top five finishers in this quarter’s contest had an astounding average score of 95.3% which brings new meaning to the word *excellence*! Three of these top five companies increased their average scores by more than 3%. Given the challenges that many companies face during the fourth quarter with sometimes reduced traffic trends and holiday staffing schedules, the overall performance of the entire group is certainly noteworthy.

| Fourth Quarter | Overall Fourth Quarter Average | Company Score – Average Ranges | | Total Shops |
|-------------------------------|--------------------------------|--------------------------------|-------|-------------|
| | | High | Low | |
| 4 th Quarter, 2007 | 87.7% | 96.9% | 72.1% | 5,075 |
| 4 th Quarter, 2006 | 86.2% | 95.7% | 74.3% | 4,441 |
| 4 th Quarter, 2005 | 83.3% | 93.9% | 69.8% | 3,796 |
| 4 th Quarter, 2004 | 86.2% | 93.9% | 66.7% | 5,448 |
| 4 th Quarter, 2003 | 88.1% | 94.4% | 76.3% | 5,131 |
| 4 th Quarter, 2002 | 85.0% | 90.8% | 75.2% | 2,145 |
| 4 th Quarter, 2001 | 82.7% | 88.9% | 64.7% | 1,917 |
| 4 th Quarter, 2000 | 80.6% | 89.2% | 60.0% | 1,261 |

The Benchmark Scores Keep Climbing as 2007 Tops The History Charts! The average quarterly shopping report scores were better in 2007 than any other year in Benchmark history. The 2007 average performance was 86.62%. This number represents a notable gain over the previous 2006 average performance of 85.13%.



Fairfield Residential Receives The Top Honor – Highest Benchmark Average Ever! Dallas based Fairfield Residential achieved the first position in style by accomplishing a record breaking average of 96.91%. Coming in **First** this quarter with an average shopping score of 96.91%, this talented group of Fairfield leasing professionals has set a new standard of achievement for the quarterly performance comparison. **William Hammond**, President of Fairfield Property Management, had this to say about Fairfield’s first place finish:

“The power and success of any truly great company comes from its people. Their dedication and commitment to excellence makes a difference! I am very proud of all those involved in making Fairfield the best it can be and congratulate each on this significant achievement.”

Adding to this sentiment is **Sue Garcia**, Vice President of Training and Marketing, *“We’re excited to be recognized among all of these outstanding companies. We’re always working toward excellence, so to place first really makes our performance tangible. This score is a true reflection of the dedication of our on-site teams and it’s a terrific report card of our training efforts.”*

Taking the **Second Place** position for the Fourth Quarter 2007 is **Carmel Partners** with an average score of **95.97%**. This average score represents Carmel's best score since they began participating in the comparison. *"We're so excited to be recognized for our leasing performance excellence. We're proud of what we've been able to accomplish as a company,"* said **Kate Grasso**, Director of Training and Development.

In **Third Place** for this round is **Gables Residential** with an average score of **95.43%**. **Jana Muma**, Vice President, Learning and Development, expressed her sincere appreciation for her teams' strong performance throughout the past year. *"All of our associates deserve to be congratulated for keeping their focus in the right place. Consistent strong performance is really key."*

The **Fourth Place** position is filled by **Lincoln Property Company** with an average score of **94.91%**. *"We are elated at the scores! What a tremendous achievement for everyone involved. Knowing that our scores are constantly improving means that we are reinforcing the right behaviors at the site level,"* said **Jennifer Staciokas**, Vice President, Marketing and Training.

Rounding out the **Top Five** is **Tarragon Management, Inc.** with an average score of **94.75%**. **Wendy Muse**, Vice President of Education, had this to say, *"What gets measured gets done! We moved our expectations up and our performance followed. We always excel when we do "one on one" training and during the fourth quarter, we were really able to focus our attention on the details."* She added, *"It's always about improving leasing efforts and increasing occupancy and the shopping report is the best way we have found to confirm what our customers are experiencing when they visit our properties."*

TRAINING TRENDS: "One on One Training" - This quarter's Benchmark letter focus addresses "one on one" training, and/or mentoring programs that are offered by several of the participating companies. This more intimate format is designed to build camaraderie among participants, allowing them to share wisdom and to keep the training momentum moving forward. Most industry educators utilize some form of one on one teaching or small group sessions along their road to success. The personal training approach takes many forms. For some organizations, it includes an experienced and trained on-site leader who teaches and guides new employees. For other companies, it might also include an on-site "hands on" approach using specialized training personnel. Some companies also include a small group approach where training takes place in the actual leasing setting. The common thread among the various approaches is that much of this type of training takes place right on-site at the community where all of the day to day action occurs. Most of those interviewed confirmed the importance of this training format and attributed much of their success to this one on one coaching and mentoring.

Sue Garcia of Fairfield Residential explained her company's dedication to increasing the more personal approach to training in 2007. *"By incorporating some online classes into our training program, we were able to double our one on one training experiences on-site. Our training program uses a blended approach but relies on two key components - the 'Buddi' program which is our mentor experience and then one on one training with the regional trainers. The personal attention starts the minute an associate is hired."* Fairfield's system for one on one training is based on the employee's skill set and the property's performance. In addition, the shopping report is directly used to influence behavior." Sue added, *"We use the report as a cue card when we follow-up with an employee. If it's a good score, we still take the time to review it in person because it further fosters good behavior."* **Craig Meyer, Fairfield's Director of Training** added, *"The feedback from the on-site personnel about the one on one training is terrific. Each associate appreciates the additional attention and understands that we are dedicated to helping make each of them achieve success."*

Carmel Partners also utilizes multiple personalized training opportunities for their on-site teams. A key component is the Cornerstone Program which gives new employees three full days of one on one time with an experienced top performer who has been through a "Train the Trainer" workshop. **Jennifer Staciokas of Lincoln Property Company** discussed the importance of the "lead by example" philosophy. *"We have Certified Training Associates that work on-site and act as mentors for our new hires. In addition to the initial training that takes place, our CTAs conduct progress checks at 30-60-90 days in order to reinforce what the individual has learned and redirect if necessary."*

"From the day a new hire joins the team, we focus on their individual performance. Throughout an employee's tenure we offer coaching sessions during which we use the shopping report as a training tool," said **Jana Muma of Gables Residential** whose leasing associates have continued to excel in the shopping report comparison.

Regardless of the format, the success of any training program relies greatly on the quality and dedication of the actual trainers and educators. The interviews with these top performing company leaders offers just a glimpse of the intense focus and enthusiasm that is prevalent among them and their training teams. Side by side education appears to make a significant difference in leasing performance especially when coupled with intense use of the shopping report. All of these resources contribute to each of these companies ongoing success!

In 2008, we will focus on performance accountability and the systems in place for reinforcing good behavior and methods for improving poor performance. Based on initial feedback from some of our Benchmark participants, rewards and redirection are key factors in the quest for sales excellence.

Thank you for your participation in the quarterly survey. We appreciate all of the feedback that you provide to make this report informative and a resource to our fellow industry peers. 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

Joanna Ellis, CAPS
President
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Enclosure



**SHOPPING REPORT PERFORMANCE COMPARISON®
MULTIFAMILY INDUSTRY BENCHMARK
FOURTH 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 | 88.48% | 79.01% | 93.25% | 89.11% | 92.60% | 95.16% | 88.05% | 94.82% | 67.81% | 87.10% | 87.66% |
| Fairfield Residential | 90.48% | 92.86% | 100.00% | 97.62% | 97.62% | 95.24% | 100.00% | 100.00% | 95.24% | 100.00% | 96.91% |
| Carmel Partners | 95.16% | 91.94% | 97.58% | 99.19% | 100.00% | 99.19% | 100.00% | 97.58% | 83.06% | 95.97% | 95.97% |
| Gables Residential | 96.51% | 88.89% | 97.46% | 95.87% | 98.41% | 97.14% | 96.83% | 97.46% | 90.48% | 95.24% | 95.43% |
| Lincoln Property Company | 96.19% | 89.01% | 97.98% | 96.64% | 92.60% | 97.31% | 99.55% | 98.43% | 90.36% | 91.03% | 94.91% |
| Tarragon Management, Inc. | 100.00% | 97.50% | 95.00% | 95.00% | 100.00% | 97.50% | 90.00% | 92.50% | 90.00% | 90.00% | 94.75% |
| CLIENT 6 | 96.22% | 87.03% | 98.38% | 96.76% | 98.38% | 97.30% | 98.92% | 97.30% | 76.22% | 94.59% | 94.11% |
| CLIENT 7 | 90.27% | 87.61% | 95.58% | 92.04% | 98.23% | 97.35% | 92.04% | 95.58% | 78.76% | 92.04% | 91.95% |
| CLIENT 8 | 93.75% | 73.75% | 95.63% | 92.50% | 98.13% | 98.75% | 95.00% | 98.75% | 76.25% | 95.00% | 91.75% |
| CLIENT 9 | 97.87% | 98.94% | 90.43% | 92.55% | 92.55% | 94.68% | 93.62% | 92.55% | 75.53% | 86.17% | 91.49% |
| CLIENT 10 | 92.94% | 84.66% | 94.79% | 88.04% | 98.47% | 95.09% | 90.80% | 96.32% | 80.06% | 91.72% | 91.29% |
| CLIENT 11 | 95.45% | 84.09% | 97.73% | 95.45% | 97.73% | 95.45% | 93.18% | 95.45% | 68.18% | 88.64% | 91.14% |
| CLIENT 12 | 95.60% | 84.62% | 91.21% | 85.71% | 98.90% | 96.70% | 94.51% | 94.51% | 75.82% | 91.21% | 90.88% |
| CLIENT 13 | 95.77% | 84.51% | 94.37% | 87.32% | 94.37% | 100.00% | 98.59% | 97.18% | 67.61% | 88.73% | 90.85% |
| CLIENT 14 | 96.18% | 80.89% | 95.54% | 94.90% | 94.27% | 95.54% | 93.63% | 92.99% | 73.25% | 89.81% | 90.70% |
| CLIENT 15 | 100.00% | 76.47% | 100.00% | 100.00% | 97.06% | 91.18% | 94.12% | 88.24% | 67.65% | 82.35% | 89.71% |
| CLIENT 16 | 87.88% | 71.97% | 90.15% | 93.18% | 96.97% | 96.97% | 96.97% | 95.45% | 78.03% | 87.88% | 89.55% |
| CLIENT 17 | 90.91% | 75.00% | 97.73% | 84.09% | 100.00% | 97.73% | 93.18% | 97.73% | 75.00% | 79.55% | 89.09% |
| CLIENT 18 | 91.89% | 83.78% | 95.95% | 86.49% | 93.24% | 95.95% | 83.78% | 97.30% | 71.62% | 87.84% | 88.78% |
| CLIENT 19 | 94.52% | 83.56% | 91.78% | 94.52% | 89.04% | 90.41% | 91.78% | 93.16% | 71.23% | 86.30% | 88.63% |
| CLIENT 20 | 90.57% | 71.70% | 98.11% | 86.79% | 98.11% | 100.00% | 94.34% | 84.91% | 69.81% | 88.68% | 88.30% |
| CLIENT 21 | 61.29% | 91.94% | 98.39% | 90.32% | 95.16% | 98.39% | 95.16% | 95.16% | 64.52% | 88.71% | 87.90% |
| CLIENT 22 | 81.01% | 73.42% | 92.41% | 89.87% | 97.47% | 92.41% | 96.20% | 93.67% | 70.89% | 91.14% | 87.85% |

Participating Companies

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

* Representing 5,079 shopping reports

Benchmark 1st Place Company
Fairfield Residential Services
William Hammond - President

"The power and success of any truly great company comes from its people. Their dedication and commitment to excellence makes a difference! I am very proud of all those involved in making Fairfield the best it can be and congratulate each on this significant achievement."



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MULTIFAMILY INDUSTRY BENCHMARK
FOURTH QUARTER, 2007**

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| | 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 | 88.48% | 79.01% | 93.25% | 89.11% | 92.60% | 95.16% | 88.05% | 94.82% | 67.81% | 87.10% | 87.66% |
| CLIENT 23 | 90.27% | 76.11% | 94.69% | 92.92% | 91.15% | 90.27% | 94.69% | 92.04% | 67.26% | 82.30% | 87.17% |
| CLIENT 24 | 92.11% | 71.93% | 92.98% | 90.35% | 92.98% | 95.61% | 92.11% | 94.74% | 58.77% | 89.47% | 87.11% |
| CLIENT 25 | 86.00% | 72.00% | 90.00% | 88.00% | 96.00% | 100.00% | 88.00% | 94.00% | 70.00% | 86.00% | 87.00% |
| CLIENT 26 | 88.72% | 63.91% | 90.23% | 89.47% | 93.23% | 90.23% | 92.48% | 88.72% | 75.94% | 82.71% | 85.56% |
| CLIENT 27 | 71.91% | 93.26% | 94.38% | 89.89% | 92.13% | 94.38% | 93.26% | 98.88% | 42.70% | 84.27% | 85.51% |
| CLIENT 28 | 91.14% | 81.01% | 92.82% | 86.50% | 90.72% | 93.25% | 81.44% | 93.67% | 56.12% | 83.97% | 85.06% |
| CLIENT 29 | 94.38% | 83.71% | 90.45% | 84.27% | 88.20% | 97.75% | 89.33% | 96.63% | 34.27% | 87.08% | 84.61% |
| CLIENT 30 | 64.58% | 83.33% | 87.50% | 95.83% | 95.83% | 93.75% | 95.83% | 79.17% | 64.58% | 85.42% | 84.58% |
| CLIENT 31 | 88.10% | 76.79% | 88.10% | 89.88% | 91.07% | 96.43% | 81.55% | 94.64% | 52.98% | 85.12% | 84.46% |
| CLIENT 32 | 83.12% | 62.34% | 90.91% | 85.71% | 97.40% | 92.21% | 92.21% | 93.51% | 59.74% | 87.01% | 84.42% |
| CLIENT 33 | 83.93% | 78.57% | 96.43% | 83.93% | 87.50% | 92.86% | 89.29% | 89.29% | 48.21% | 80.36% | 83.04% |
| CLIENT 34 | 91.25% | 71.25% | 91.25% | 70.00% | 97.50% | 88.75% | 88.75% | 91.25% | 63.75% | 76.25% | 83.00% |
| CLIENT 35 | 75.00% | 64.29% | 92.86% | 83.33% | 95.24% | 96.43% | 92.86% | 97.62% | 41.67% | 82.14% | 82.14% |
| CLIENT 36 | 76.02% | 68.42% | 89.47% | 87.14% | 84.79% | 94.74% | 87.13% | 92.40% | 49.13% | 83.04% | 81.23% |
| CLIENT 37 | 84.21% | 71.93% | 91.23% | 73.68% | 82.46% | 91.23% | 87.72% | 96.49% | 49.12% | 80.70% | 80.88% |
| CLIENT 38 | 75.73% | 59.22% | 90.29% | 81.55% | 83.50% | 82.52% | 92.23% | 92.23% | 61.17% | 87.38% | 80.58% |
| CLIENT 39 | 70.00% | 66.67% | 85.00% | 76.67% | 83.33% | 92.50% | 85.00% | 90.83% | 48.33% | 76.67% | 77.50% |
| CLIENT 40 | 87.22% | 70.04% | 91.63% | 86.34% | 80.18% | 96.48% | 0.00% | 94.71% | 56.39% | 79.30% | 74.23% |
| CLIENT 41 | 55.00% | 42.50% | 92.50% | 72.50% | 80.00% | 97.50% | 80.00% | 97.50% | 32.50% | 77.50% | 72.75% |
| CLIENT 42 | 75.00% | 60.42% | 81.25% | 68.75% | 81.25% | 81.25% | 81.25% | 87.50% | 33.33% | 70.83% | 72.08% |
| CLIENT 43 | 60.63% | 60.63% | 77.95% | 69.29% | 74.80% | 92.91% | 82.68% | 92.13% | 42.52% | 66.93% | 72.05% |

Participating Companies

| | |
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