



**The EPMS Shopping Report Performance Comparison
A Multifamily Industry Benchmark
2nd Quarter 2007**

It's that time again! Many of you have been eagerly awaiting the **Second 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. This quarter marks the continuation of a most unusual trend as occupancy drops slightly while rental rates creep upward, the result of thousands of new high-end units flooding major markets. As demand lessens and the A and B apartment stock grows, expert leasing remains the driving force behind better occupancy and income.

The Second Quarter of 2007

The EPMS *Quarterly Shopping Report Comparison*, commonly referred to as "The Benchmark", allows companies to compare their leasing performance to other national and regional operators. The ten leading and universal performance questions common to all telephone and in-person mystery shopping becomes the standard by which this comparison is made. By measuring the affirmative answers to these ten questions, ELLIS 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 and benefit from knowing exactly how your leasing team performance compares to that of other companies.

44 Participating Companies Representing 5,813 Total Shops!

We welcome this quarter three new participating companies to our national comparison: Alliance Residential Company, Madison Apartment Group LP, and SPM, Inc. We have experienced another exceptional quarter as this benchmark report includes a record breaking 5,813 mystery shopping reports, the largest number in the history of the summary. Even as the list of participating companies continues to grow, we want to identify and thank all of the current companies who contributed their shopping report data for the current *Shopping Report Performance Comparison*.

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

A Record Breaking Average Score. Closing the Performance Gap!

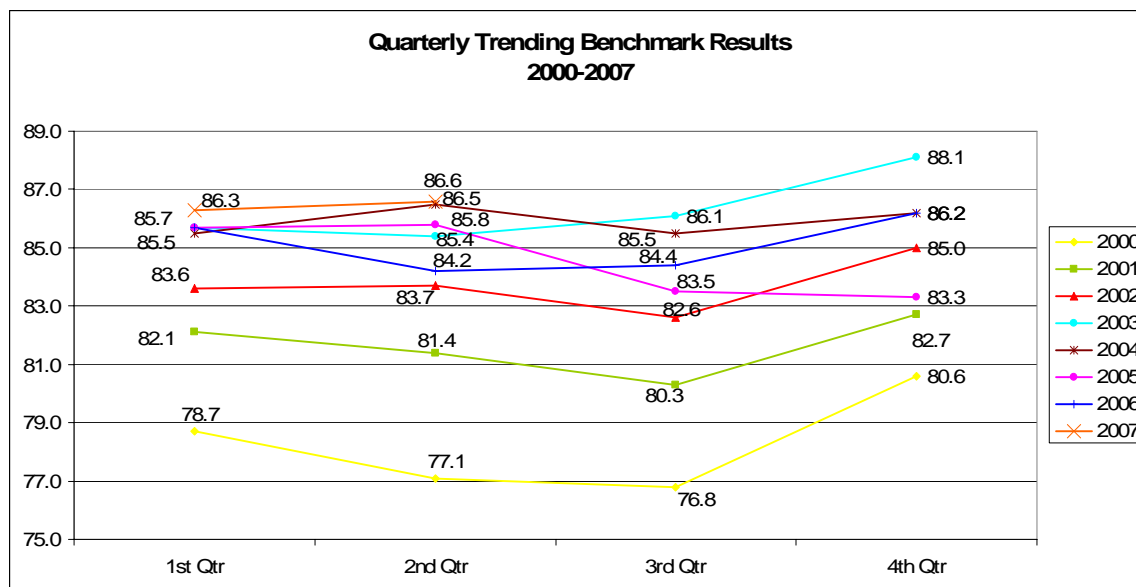
This quarter's participating companies achieved an **average Benchmark score of 86.6%**. This is not only an **improvement** over the first quarter average, but it also marks the **highest second quarter average score** in the history of our Benchmark tracking efforts. What this score also signifies is that our participating companies have taken note of the typical downward trend of shopping report scores when comparing first quarter to second quarter and have tackled this issue head on. The historical average second quarter score (83.8%) is still lower than that of the historical average first quarter score (84.2%); however, there are nearly 4,500 more shops being completed each round since the comparison began. The bottom line is that a greater number of leasing professionals are turning in terrific performances. There is also significant improvement in scores at the low end of the spectrum compared to earlier years. KUDOS to all of you who made every effort to stop the downward trend!

2 nd Quarter	Overall Average	Company Score – Average Ranges		Total Shops
		High	Low	
2 nd Quarter 2007	86.6%	95.3%	74.0%	5,813
2 nd Quarter 2006	84.2%	94.3%	74.6%	4,784
2 nd Quarter 2005	85.8%	94.6%	74.3%	5,288
2 nd Quarter 2004	86.5%	93.2%	73.2%	4,862
2 nd Quarter 2003	85.4%	92.8%	70.0%	4,408
2 nd Quarter 2002	83.7%	89.7%	73.0%	2,465
2 nd Quarter 2001	81.4%	90.8%	67.2%	1,921
2 nd Quarter 2000	77.1%	84.3%	43.3%	1,356

Many ELLIS shopping customers have used the benchmark averages to re-direct their training to the areas of greatest need. **Pat Smits**, President of **Carmel Partners**, has used the comparison data to bring two different multi-family operations from the bottom of the EPMS *Quarterly Shopping Report Comparison* average to a top five position. This quarter, Smits has watched his Carmel management team bring their 60-apartment community portfolio from near the bottom to the fourth position. “We are thrilled to place fourth this quarter among such a strong group of property management professionals. By focusing on the benchmark numbers, we have become better leasers and are putting more prospects into new apartment homes.” Carmel uses the mystery shops to identify areas that need improvement and build their training around those needs. The key is consistent, daily training accomplished thorough classroom, breakfast meetings and one-on-one sessions. “Everyone in the company is engaged in the shopping process and understands how the averages truly reflect performance. Our effort to perform better on the reports directly impacts our actual leasing results.”

Better leasing means a higher closing ratio and less advertising needs, according to Smits. “We can reduce or fine tune our advertising costs knowing that we will need less prospects to meet our occupancy quotas. Participation in the benchmark, along with targeted training, has given us more move-ins per traffic count.”

Apparently Carmel is not the only company that has accelerated their leasing performance this quarter. The chart below reveals that leasing scores continue to improve as companies keep sales a primary focus. This second quarter 2007 surprised us by going against the typical dip we have noticed for several years. The history of the EPMS *Quarterly Shopping Report Comparison* illustrated below has seen the second and third quarter benchmark averages drop lower than the first and fourth quarters. We have speculated that the on-site leasing professionals try harder in the fall and winter quarters when traffic is slow and vacancies creep up. In the past, scores in the spring and summer would go down perhaps reflecting an overworked, or overheated, leasing team with more traffic and less urgency to lease. Bottom line, our eight years benchmark averages have normally shown a dip in the second quarter. This second quarter, 2007, reverses that trend and may be due to the increased competition and lower demand experienced in many markets today.



It's a Three-peat! Gables Residential Claims Top Position For The Third Time in a Row!

With an average score of 95.27%, this top performing company now holds the record of the highest Second Quarter average in the history of the comparison. Jana Muma, Vice President of Training for Gables Residential explained why she thinks that Gables has continued to excel in this arena.

“At Gables, we set the expectation for performance standards the moment a new employee joins our organization. These standards are clearly defined and embraced by executives and on-site personnel alike. With this in mind, the training department works to ensure the success for every team member from the beginning of their employment.”

Achieving Second Place for a Consecutive Quarter is CWS Apartment Homes with an average score of 94.42%.

This score represents nearly a full percentage point gain from that company's previous quarter average. **Lincoln Property Company** edged up to take third with an average score of 93.89%. This is a 1%+ gain from the company's first quarter average. Coming in fourth place was **Carmel Partners** with an average score of 93.80%, and in fifth place was **Fogelman Management Group** with an average score of 92.71%. “We're happy to make the top five and are always working at performance improvement. We have even established a Benchmark training program that reinforces the basics, and our *Benchmark Superstars* are recognized throughout the company,” says Pattie D. Woods, Vice President of Training and Development for Fogelman Management Group.

The Future of Training – E-Learning!

In the first quarter letter, we reviewed traditional training methods being used by our survey participants. In keeping with the 2007 training model theme, we will explore Online Training as a performance enhancing tool. As is customary, we will examine the “best practices” of our top benchmark average score leaders, and we will also hear from other participating companies who have Online Training success stories to share.

According to the American Society of Training and Development, the efficiencies that accompany e-learning include a reduced cost per learning hour and an increased reuse rate. This means that every hour of training content is being used by multiple employees, and therefore helps to reduce the cost of providing the training. While technology based self-paced learning continues to increase in frequency, it is still primarily used for teaching processes, systems and industry-specific content. The “best practices” companies recognized by ASTD indicate that less than 10% of the e-learning content they provide is dedicated to sales but that this percentage is increasing each year.

While many of today's leading multi-family companies still rely on traditional classroom training methods to teach the skills necessary to be a successful sales person, these same companies are also beginning to incorporate e-learning into their training arsenal as a way to “stoke the fire” and keep the leasing professional focused and always improving.

Melissa Westmoreland, Director of Training for **Colonial Properties Trust** explained how this blended approach works to provide the leasing professional with a solid foundation for success. “We've found that human interaction skills are best taught face to face; however, in order to keep our leasing teams on track, we conduct “*F.O.C.U.S Briefings*” (Focusing on Creating Unbelievable Sales & Service) in the form of a webinar every two weeks. During a 30 minute briefing, we cover one *hot topic*. What was once handled in the form of a conference call with little interaction from the site personnel has morphed into a much more interactive session where the attendees are eager to ask questions and continue discussion using either the audio tool or the pop-up text box.”

“**LPC** is using self-administered online courses to cover such topics as Fair Housing and Risk Management, and we are currently exploring the benefits of administering some reinforcement sales training in this same fashion. The greatest benefit to online training that we've found is the time & cost savings because the site personnel can stay at the community and have the educational tools at their fingertips,” says **Jennifer Staciokas**, Vice President, Marketing and Training.

Managing self administered online systems is just one challenge of implementing an online training program. **Shellie McDaniel**, Director of Development and Education for **CWS Apartment Homes**, has this to say on the subject. “While e-learning has its benefits, we found that managing the self-administered online classes was less productive than having Regional Trainers who can be on-site 75% of the time. This allows our people to receive real world training in the work place setting where all of the action occurs. We are, however, looking into accelerated learning courses on topics such as leadership skills.”

The online training efforts of many of the companies we surveyed are also utilized as part of the initial introduction into the organization which helps to set the standard for how each employee will be expected to learn in the future. “We hit them the minute they walk through the door,” explains **Jana Muma**. “**Gables** is currently using Grace Hill courses, and each

employee takes two self-administered online courses at the beginning of their employment as prerequisites to attending classroom training. We've found this method of training to be effective and efficient."

It appears that online training plays some role in most every company that we surveyed. The combination of face to face classroom education, on-site *real world* training and some form of online reinforcement of the basics seems to be the key to success for these top performing organizations. It is clear that each of these companies see a great benefit in continuing to explore every training option available to find the right combination for their own employees and company culture.

As our industry continues to grow in its knowledge of what cyberspace can offer, ELLIS has seen a dramatic increase in the number of internet shops from 300 to 1,000 per month. Not only have the number of Internet shops increased, the performance level has improved. The box below shows this response time improvement. Approximately 46% have resulted in a 2 hour or less personal response time.

Response Time	Number of Responses	Percentage of Responses
0-2 Hours	806	45.76%
2-4 Hours	207	11.72%
4-6 Hours	82	4.83%
6-8 Hours	59	3.44%
8+ Hours	178	10.00%
No Response	424	24.24%

Based on 1,756 internet shops completed 01/01/07-06/22/07

Thank you for your participation in the quarterly survey. We appreciate your feedback and willingness to share your experiences and successes. 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. Check out our "Resources" section on our website, www.epmsonline.com

Sincerely,

Joanna Ellis

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President
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Enclosure



**SHOPPING REPORT PERFORMANCE COMPARISON®
MULTIFAMILY INDUSTRY BENCHMARK
SECOND 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	86.45%	76.22%	91.81%	87.07%	93.63%	95.22%	89.85%	95.30%	64.93%	85.55%	86.60%	
Gables Residential	97.45%	85.45%	97.09%	94.55%	98.91%	97.82%	98.55%	99.27%	90.91%	92.73%	95.27%	
CWS Apartment Homes	95.35%	86.05%	100.00%	93.02%	100.00%	97.67%	97.67%	100.00%	74.42%	100.00%	94.42%	
Lincoln Property Company	96.55%	88.05%	95.17%	94.71%	97.24%	97.93%	91.49%	97.01%	86.90%	93.79%	93.89%	
Carmel Partners	96.69%	85.95%	97.52%	98.35%	92.56%	98.35%	98.35%	98.35%	76.03%	96.69%	93.88%	
Fogelman Management Group	90.59%	84.71%	96.47%	94.12%	96.47%	98.82%	97.65%	96.47%	80.00%	91.76%	92.71%	
CLIENT 6	94.49%	87.93%	95.54%	89.76%	97.90%	97.90%	93.70%	96.85%	78.74%	92.65%	92.55%	
CLIENT 7	100.00%	82.69%	94.23%	90.38%	94.23%	96.15%	98.08%	96.15%	76.92%	88.46%	91.73%	
CLIENT 8	91.67%	73.61%	97.22%	90.28%	97.22%	98.61%	95.83%	94.44%	75.00%	97.22%	91.11%	
CLIENT 9	92.50%	80.00%	97.50%	95.00%	97.50%	100.00%	90.00%	90.00%	75.00%	92.50%	91.00%	
CLIENT 10	82.87%	83.98%	95.03%	91.16%	95.58%	99.45%	93.37%	98.34%	76.80%	92.27%	90.88%	
CLIENT 11	95.88%	95.88%	87.63%	89.69%	93.81%	95.88%	90.72%	95.88%	72.16%	82.47%	90.00%	
CLIENT 12	91.21%	85.71%	94.51%	95.60%	96.70%	93.41%	91.21%	96.70%	64.84%	90.11%	90.00%	
CLIENT 13	90.91%	90.91%	93.18%	81.82%	90.91%	100.00%	88.64%	95.45%	72.73%	84.09%	88.86%	
CLIENT 14	93.98%	77.44%	93.98%	87.22%	93.98%	96.24%	90.23%	94.74%	74.44%	85.71%	88.80%	
CLIENT 15	88.39%	65.81%	96.13%	87.74%	100.00%	96.77%	94.19%	100.00%	67.10%	90.97%	88.71%	
CLIENT 16	90.10%	86.14%	90.10%	93.07%	90.10%	92.08%	90.10%	96.04%	70.30%	85.15%	88.32%	
CLIENT 17	93.75%	79.69%	93.75%	98.44%	95.31%	85.94%	95.31%	96.88%	57.81%	82.81%	87.97%	
CLIENT 18	94.07%	72.88%	91.53%	87.29%	95.76%	96.61%	92.37%	98.31%	58.47%	88.14%	87.54%	
CLIENT 19	88.00%	64.00%	96.00%	92.00%	94.67%	92.00%	97.33%	96.00%	61.33%	90.67%	87.20%	
CLIENT 20	93.57%	74.27%	92.40%	87.13%	94.15%	94.74%	88.89%	92.40%	67.84%	84.21%	86.96%	

Participating Companies

Alliance Residential Company	JPI
Amlı Residential	Legacy Partners
Archstone Communities	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
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E & S Ring Corporation	Tarragon Management, Inc.
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Fairfield Residential	Village Green Companies
Fogelman Management Group	Waterton Residential
Gables Residential Services	Weidner Investment Services
Greystar Management	ZOM Residential

* Representing 5,813 shopping reports

Benchmark 1st Place Company

Gables Residential Services

Jana Muma - Vice President of Training

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	TELEPHONE PRESENTATION		ON-SITE PRESENTATION								CLIENT OVERALL AVERAGE
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QUESTION OVERALL AVERAGE	86.45%	76.22%	91.81%	87.07%	93.63%	95.22%	89.85%	95.30%	64.93%	85.55%	86.60%
CLIENT 21	91.21%	63.74%	94.51%	93.41%	96.70%	90.11%	92.31%	95.60%	64.84%	85.71%	86.81%
CLIENT 22	91.04%	65.67%	94.03%	88.06%	94.03%	97.01%	89.55%	97.02%	59.70%	91.04%	86.72%
CLIENT 23	88.80%	68.00%	91.20%	87.20%	96.80%	97.60%	89.60%	94.40%	66.40%	84.00%	86.40%
CLIENT 24	90.38%	82.69%	90.38%	86.54%	90.38%	96.15%	90.39%	92.31%	59.61%	84.61%	86.35%
CLIENT 25	91.43%	75.71%	91.43%	88.57%	95.71%	94.29%	85.71%	88.57%	62.86%	82.86%	85.71%
CLIENT 26	87.33%	78.50%	90.50%	84.17%	97.00%	94.67%	84.33%	93.83%	64.00%	81.00%	85.53%
CLIENT 27	76.60%	76.60%	97.87%	91.49%	89.36%	93.62%	89.36%	95.74%	55.32%	89.36%	85.53%
CLIENT 28	59.26%	86.42%	88.89%	83.95%	96.30%	98.77%	91.36%	93.83%	70.37%	83.95%	85.31%
CLIENT 29	86.67%	77.78%	92.89%	87.56%	93.78%	96.00%	84.44%	96.44%	52.00%	85.33%	85.29%
CLIENT 30	81.10%	64.17%	88.68%	86.78%	97.15%	95.26%	93.40%	93.40%	66.05%	86.81%	85.28%
CLIENT 31	65.31%	73.47%	100.00%	83.67%	93.88%	91.84%	93.88%	95.92%	51.02%	87.76%	83.67%
CLIENT 32	85.11%	76.60%	85.11%	74.47%	95.74%	91.49%	93.62%	93.62%	57.45%	78.72%	83.19%
CLIENT 33	86.50%	77.30%	91.41%	81.60%	85.28%	92.64%	82.82%	98.16%	55.83%	79.14%	83.07%
CLIENT 34	67.42%	85.39%	93.26%	86.52%	93.26%	98.88%	93.26%	96.63%	35.96%	77.53%	82.81%
CLIENT 35	82.24%	65.42%	89.72%	81.31%	87.85%	93.46%	95.33%	91.59%	47.66%	86.92%	82.15%
CLIENT 36	60.42%	77.08%	84.38%	89.58%	95.83%	88.54%	93.75%	80.21%	61.46%	88.54%	81.98%
CLIENT 37	78.61%	61.19%	90.55%	79.10%	96.52%	99.00%	73.63%	95.52%	52.24%	75.12%	80.15%
CLIENT 38	68.65%	61.62%	83.24%	79.46%	87.57%	93.51%	87.57%	92.43%	52.43%	80.54%	78.70%
CLIENT 39	74.36%	72.22%	85.90%	84.62%	79.91%	85.90%	86.32%	93.16%	47.01%	76.92%	78.63%
CLIENT 40	81.44%	42.27%	83.50%	80.41%	89.69%	98.97%	91.75%	96.90%	41.24%	76.29%	78.25%
CLIENT 41	75.76%	58.58%	83.83%	70.71%	84.84%	94.95%	85.85%	94.95%	42.43%	73.74%	76.57%
CLIENT 42	79.25%	62.26%	83.02%	60.38%	77.36%	86.79%	86.79%	98.11%	33.96%	77.36%	74.53%
CLIENT 43	69.17%	54.89%	81.95%	73.68%	79.70%	90.23%	85.71%	91.73%	44.36%	72.93%	74.44%
CLIENT 44	80.95%	60.32%	87.30%	76.19%	79.37%	85.71%	74.60%	90.48%	34.92%	69.84%	73.97%

Participating Companies

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