



The EPMS *Shopping Report Performance Comparison* A Multifamily Industry Benchmark 3rd Quarter 2003

The ups and downs of many of the cities and areas you operate may make you feel like you are being taken on a “ride”. It can sometimes get downright intimidating! Here is a tip for how to stay *safe* in this treacherous and competitive rental market. Be **SAFE...**

SAFE – Systems · Accountability · Focus · Execution

Have **S**ystems in place to monitor and measure on-site performance. The old management saying is still true today: “If you can’t measure it, you can’t manage it!” **S**ystems that measure performance make on-site professionals responsible to desired standards and achievements. That’s simply “**A**ccountability”. Being **A**ccountable to a measurable set of standards results in higher performance levels. This process of reaching higher performance levels starts with an intense **F**ocus on the end result. What do you want to achieve? Finally, there has to be **E**xecution of the systems created to meet the desired objective. Even the best strategic plan and well-designed systems are for naught without **E**xecution.

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

EPMS shopping customers have asked us for years, “*How do my on-site leasing professionals compare to those in other similar companies?*” This benchmark of leasing performance was created over three years ago to answer that question. Our “shopping report performance comparison” is a benchmark that answers this question by allowing you to compare yourself to other national and regional operators.

Our Quarterly “*Shopping Report Performance Comparison*” compares the affirmative answers to ten leading and universal performance questions that are common to all telephone/on-site mystery shopping reports.

Benchmark Comparison Participation Grows to a Record 5,103 Shops!

With a record number of shops and participating companies, this performance data becomes increasingly meaningful. This larger sampling gives you a broader overview of leasing performance levels throughout the industry. Yet, these averages do not measure and reflect leasing skills throughout the nation. Our Quarterly “*Shopping Report Performance Comparison*” measures the performance levels of the top management companies in the Country. These companies **F**ocus on the **E**xecution of **S**ystems designed to produce high performance through an appropriate level of **A**ccountability by the on-site staffs. These participating companies are using mystery shopping as a way to remain **SAFE** in the current dog-eat-dog leasing environment.

We welcome two new companies, JPI and United Dominion Realty Trust to this quarter’s “*Shopping Report Performance Comparison*.” We are indebted to the national and regional firms who allow us to compare their leasing performance data in this summary. Participation in the EPMS Quarterly *Shopping Report Performance Comparison* is a benefit reserved for those companies who are frequent, long-term shopping customers. While not all companies for whom we shop participate in this quarterly comparison, we thought it noteworthy that 70.8% of the total 7,209 shopping reports completed by EPMS this third quarter, 2003 are included. A minimum of 40 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*.

Aml Residential
Archstone Communities
BRE Properties
Capreit
CWS Apartment Homes
E & S Ring Corporation
Equity Residential Properties
Fairfield Residential
First Worthing Company

Fogelman Management Group
Gables Residential Services
Greystar Management Services
Home Properties
JPI
Legacy Partners
Lincoln Property Company
Post Properties
RAM Partners, LLC

S.L. Nusbaum Realty
Southwest Housing Management
Steven D. Bell & Company
Tarragon Management
Trammell Crow Residential Services
United Dominion Realty Trust (UDRT)
Village Green
Walden Management Company, LLC
Windsor Communities

Gables Residential Services tops benchmark Comparison in Third Quarter at 94.1%

Congratulations to Gables Residential Services for achieving the top position in this quarter’s comparison earning the highest comparison record in 2003! A long time benchmark participant, Gables Residential Services posted an overall average shopping score of 94.1% on 312 individual shops. The Company is one of the largest apartment operators in the nation and currently manages 49,566 apartment homes in 179 communities, owns 84 communities with 23,338 stabilized apartment homes primarily in Atlanta, Houston, South Florida, Austin, Dallas, Tampa and Washington, DC and has an additional 9 communities with 2,388 apartment homes under development or lease-up.

Jana Martin, National Director of Training for Gables Residential Services, stated, “We are extremely proud to have achieved first place on the Benchmark Performance Comparison for third quarter, 2003. The goal we have achieved, and will continue to strive for, is much more than winning a contest. This result confirms we have improved our overall performance as a company as it takes every associate to accomplish this success. We are also pleased to have obtained one of the higher scores in "asking for the deposit" as this affirms that we have an increased focus on sharpening our sales skills. Most important, our winning team comprised of committed associates along with a successful training program, will continue to allow us to achieve our overall goal as a company: *“providing excellent quality and service for our residents.”*

The level of competition in the “Shopping Report Performance Comparison” remains intense as four of the top five companies this quarter have been in these top four positions for the last three quarters. As the bar continues to be raised by companies who practice “SAFE” leasing, we see all participating companies beginning to bunch closer to the top. Score ranges in this quarter’s Shopping Report Performance Comparison are listed below:

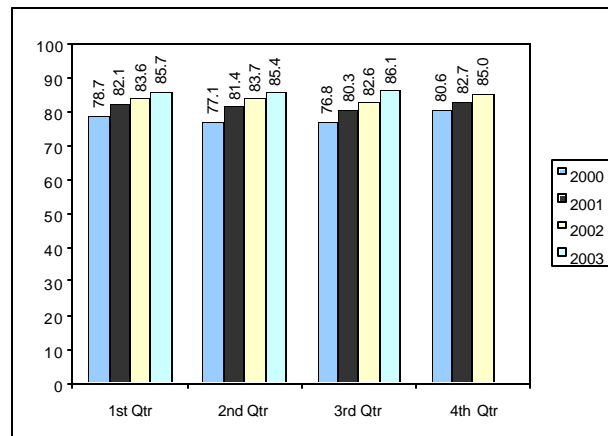
6 Companies	Above 90.0%
5 Companies	87.18% to 89.7%
8 Companies	81.0% to 85.8 %
8 Companies	73.5% to 79.8%

Third quarter average shopping report benchmark scores have continued to climb each year. Due to Gables Residential Services’ outstanding performance, the spread between the top and bottom performer actually increased rather than decreased as in past years.

Third Quarter	Overall Average	Company Score – Average Ranges		Total Shops
		High	Low	
2003	86.1%	94.1%	73.5%	5,103
2002	82.6%	90.3%	69.5%	2,434
2001	80.3%	94.3%	66.0%	2,066
2000	76.8%	83.4%	56.2%	1,606

Average Summer Score Contrary to Typical Cycle

Not only is 86.1% the highest third quarter score in the history of the study, it marks the first time we have not seen this quarter being the lowest quarter of the year. Until this third quarter 2003, summer trend in this benchmark has seen significant average score dips in this busiest leasing season. Both second and third quarters usually drop in average scores only to see rebounds in the first and last quarters of each year. This year, the third quarter is the highest benchmark average of the year!



We have speculated in the past that the EPMS average shopping scores decreased each second and third quarter because rental prospect traffic increased creating a “cherry-picking” mentality. Perhaps vacation schedules and staff shortages also contributed to this apparent leasing performance lapse in the two middle quarters each year. Yet, this year it seems the top scoring companies have especially risen to the challenge. When traffic has been brisk and demand for immediate move-ins is high, the leasing efforts have intensified with leasing professionals giving at least equal if not better performances compared to other quarters of the year.

If You Don’t Lease, You Don’t Last!

Consumer demands and preferences have changed. Product style and amenities have changed. Marketing has become more high tech and Internet based. The software systems we use to manage and monitor our communities have changed and are light years ahead from a mere 5 years ago. Yet one thing remains the same: you must keep putting more heads on a bed. Leasing is the lifeblood of apartments and if you cannot fill your property, you lose the battle!

Ask For The Money!

We continue to encourage our shopping and consulting customers to keep focused on the primary objective of assisting a rental prospect...to get them into an apartment home RIGHT NOW! In a solid, relationship-oriented leasing presentation, that objective is best met by *asking for the money*. The rental client is very interested in talking money. They want to know the process for making a commitment and exactly how much it will cost. Too often, it is the leasing professional that is excessively concerned about discussing application fees, deposits, and other money matters!

Three of our 27 comparison participating companies ranked above 80% in benchmark question #9, “Did the leasing professional ask you to leave a deposit?” Those three companies have allowed us to share those scores:

Management Company	Average Score on Question #9
Tarragon Management	87.8%
Gables Residential Services	82.7%
Lincoln Property Company	81.3%

We have had spirited discussions with some of our valued customers about this question. The concern is that perhaps, in this age of “relationship leasing” with all the talk of a *new* approach to our rental clients, directly **asking for the money, the deposit**, is not appropriate. Some might even say that direct approach is a rude and archaic method of leasing. We decided to pose this concern to the companies above that scored highest in the category. They must have some strong feelings about the concept.

On every page of the new Tarragon leasing manual, it states that the leasing associate **MUST** ask for the deposit. This instruction must be working; Tarragon’s average score on this benchmark question #9 has risen from the low 60s to the current 87.8%. “We can’t take an apartment home off the market without a complete application and deposit,” says Tarragon Vice President of Education, **Wendy Muse**. “Why wouldn’t we ask for a deposit?” The company once focused on “creative and indirect” closes to help their leasing professionals deal with their reluctance to ask for the money. While these closes may be a “part” of a sales presentation, Muse concluded this indirect approach was a waste of time with their limited training schedules and took the consultants’ focus away from the primary objective of getting the commitment.

“The prospect started this relationship and showed interest first. We did not cold call!” explains Muse. “They want to talk money.” Tarragon teaches its on-site teams to directly ask for the deposit as a way to gain the lease. “At first you may be scared, but we encourage our leasing associates to spit it out anyway!” According to Muse, “If a leasing professional is not comfortable asking for the money, they don’t need to be leasing. That is a fundamental requirement of their role.”

Lincoln Property Company (LPC) requires that their leasing professionals directly ask for the deposit each time they tour a rental client. LPC’s **Maria Lawson**, Vice President of Marketing and Training, understands that the precise manner and technique used to secure the deposit may differ from person to person depending on their personality, style, and skill level. Yet, before a client can lease an apartment they must pay a deposit. It is a necessary step in the leasing process.

“Whether the rental client wants to look around, forgets their checkbook, needs to bring their spouse back, or gives the impression they don’t like the apartment, the leasing professional is still required to directly ask for the deposit,” says Lawson. “It’s as simple as, ‘Would you like to leave a deposit today?’”

Jana Martin, National Training Director, reports that Gables Residential Services is redefining the role of the typical leasing professional to one of “sales and marketing”. Rather than leasing, the expectations have been raised and these on-site front people are considered sales professionals. The company’s training curriculum has also been modified to move the leasing process to an assertive and focused *sales* presentation. Martin says, “We make certain our sales associates are skilled in various techniques of asking for the deposit, for the lease. If they cannot ask for the deposit, they should not be in sales.” Our other top scoring companies seem to agree.

“Ask and you will receive; don’t ask and they will leave!” says Martin. Gables is focused on moving from a passive leasing company to an active sales and marketing organization. Accountability and follow up has helped the on-site team members move to a sales oriented leasing presentation. Not only do all shopping scores get reported up to the Vice President level, team members who score below a certain “acceptable” level are rewarded with additional training through Gables’ hands on Leasing Dynamics program. No one is too senior to go back for a sales training refresher!

Just as at Tarragon and Lincoln Property Company, the commitment to closing the sale starts at the most senior level at Gables. This is epitomized by a quote from a recent email to all the Gables Residential Services on-site folks by COO, **Mike Hefley**:

“In our industry, the difference between simply offering a community tour, and a true sales presentation, often comes down to attempting to close the deal!”

As an active market consulting company with numerous property lease-ups through the years, our experience at EPMS is that closing ratios are directly related to the leasing professional’s ability to CLOSE FIRMLY. EPMS demands a relationship-oriented sales presentation from its leasing professionals. That is a style 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, jellis@epmsonline.com. You can also visit our web site, www.epmsonline.com.



**SHOPPING REPORT PERFORMANCE SUMMARY®
MULTIFAMILY INDUSTRY BENCHMARK
THIRD QUARTER, 2003**

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	86.7%	68.5%	92.9%	87.3%	95.1%	93.1%	90.5%	95.5%	64.2%	86.7%	86.1%
Gables Residential Services	92.6%	91.0%	97.4%	94.6%	97.1%	97.4%	97.4%	97.8%	82.7%	92.9%	94.1%
CLIENT 2	93.3%	87.3%	94.2%	90.8%	99.1%	93.8%	91.8%	95.5%	81.3%	91.6%	91.87%
CLIENT 3	93.5%	82.4%	95.4%	90.7%	98.1%	98.1%	95.4%	94.4%	75.0%	95.4%	91.84%
CLIENT 4	88.7%	78.4%	96.9%	91.8%	100.0%	97.9%	91.8%	96.9%	79.4%	95.9%	91.77%
CLIENT 5	91.5%	76.6%	97.9%	97.9%	97.9%	91.5%	95.7%	97.9%	68.1%	97.9%	91.3%
CLIENT 6	95.1%	80.5%	97.6%	85.4%	100.0%	80.5%	97.6%	97.6%	87.8%	90.2%	91.2%
CLIENT 7	93.7%	74.6%	93.7%	96.5%	95.8%	98.6%	96.5%	97.2%	60.6%	90.1%	89.7%
CLIENT 8	87.0%	73.9%	95.7%	87.0%	100.0%	93.5%	95.7%	93.5%	76.1%	91.3%	89.3%
CLIENT 9	92.9%	80.0%	95.7%	100.0%	100.0%	100.0%	98.6%	92.9%	40.0%	88.6%	88.9%
CLIENT 10	88.3%	72.9%	93.2%	90.1%	96.7%	91.6%	93.3%	96.4%	69.4%	87.3%	87.9%
CLIENT 11	91.6%	67.9%	96.4%	89.3%	92.5%	95.5%	93.3%	97.3%	57.2%	91.6%	87.2%
CLIENT 12	77.4%	61.9%	91.7%	91.7%	100.0%	94.0%	95.2%	92.9%	70.2%	83.3%	85.8%
CLIENT 13	92.7%	70.0%	90.9%	83.6%	90.9%	87.3%	90.9%	92.7%	58.2%	83.6%	84.1%
CLIENT 14	84.6%	58.5%	90.0%	86.2%	96.2%	95.4%	92.3%	93.1%	53.1%	85.4%	83.5%
CLIENT 15	83.1%	52.8%	89.9%	85.4%	94.4%	97.8%	89.9%	94.4%	55.1%	85.4%	82.8%
CLIENT 16	71.9%	45.5%	95.9%	76.0%	95.9%	95.9%	84.3%	94.2%	71.9%	86.8%	81.8%
CLIENT 17	88.7%	61.3%	89.5%	89.0%	89.8%	88.4%	80.4%	95.7%	52.2%	79.8%	81.5%
CLIENT 18	77.8%	49.0%	93.3%	85.6%	97.4%	92.8%	86.6%	96.4%	47.9%	86.1%	81.3%
CLIENT 19	72.4%	55.2%	89.7%	86.2%	89.7%	86.2%	86.2%	96.6%	62.1%	86.2%	81.0%
CLIENT 20	84.4%	59.4%	92.2%	79.7%	85.9%	93.8%	82.8%	95.3%	43.8%	81.3%	79.8%
CLIENT 21	77.8%	61.9%	92.1%	74.6%	96.8%	90.5%	84.1%	92.1%	42.9%	83.3%	79.6%
CLIENT 22	81.5%	41.4%	90.1%	77.0%	93.7%	94.1%	80.2%	94.1%	53.2%	82.0%	78.7%
CLIENT 23	86.0%	56.0%	90.0%	64.0%	82.0%	96.0%	88.0%	92.0%	56.0%	76.0%	78.6%
CLIENT 24	73.4%	37.5%	89.1%	71.9%	93.8%	92.2%	90.6%	96.9%	50.0%	84.4%	78.0%
CLIENT 25	73.8%	50.6%	86.9%	81.9%	85.6%	90.6%	85.0%	92.5%	45.0%	76.3%	76.8%
CLIENT 26	72.1%	37.2%	88.4%	76.7%	86.0%	93.0%	79.1%	90.7%	51.2%	79.1%	75.3%
CLIENT 27	69.1%	61.7%	85.2%	54.3%	79.0%	96.3%	81.5%	92.6%	43.2%	71.6%	73.5%

* Representing 5,103 shopping reports

Participating Companies:

Aml Residential
Archstone Communities
BRE Properties
Capreit
CWS Apartment Homes
E & S Ring Corporation
Equity Residential Properties
Fairfield Residential
First Worthing Company

Fogelman Management Group
Gables Residential Services
Greystar Management Services
Home Properties
JPI
Legacy Partners
Lincoln Property Company
Post Properties
RAM Partners, LLC

S.L. Nusbaum Realty
Southwest Housing Management
Steven D. Bell & Company
Tarragon Management
Trammell Crow Residential Services
United Dominion Realty Trust (UDRT)
Village Green
Walden Management Company, LLC
Windsor Communities

Benchmark 1st Place Company:

**Gables Residential Services
Jana Martin - National Director of Training**

We are extremely proud to have achieved first place on the Benchmark Summary Report for third quarter, 2003. The goal we have achieved, and will continue to strive for, is much more than winning a contest. This result confirms we have improved our overall performance as a company as it takes each and every associate to accomplish this success. We are also pleased to have obtained the highest score in "asking for the deposit" as this affirms that we have an increased focus on sharpening our sales skills. Most importantly, our winning team comprised of committed associates along with a successful training program, will continue to allow us to achieve our overall goal as a company:
providing excellent quality and service for our residents.