



The EPMS *Shopping Report Performance Comparison* A Multifamily Industry Benchmark 2nd Quarter 2006

Greetings from EPMS, **Ellis**, your **Partners in Mystery Shopping**! We are delighted to bring you our Second Quarter 2006 **EPMS Quarterly *Shopping Report Performance Comparison***. The hot summer has also created a hot, active rental market in many of the nation's markets with overall U.S. apartment occupancy at 95.8%, up a half point from mid-year 2005, according to Dallas based M/PF YieldStar. New construction is chasing this increased demand, and it is time to take advantage NOW! More than ever, a purposeful and productive leasing effort is critical to your success.

Through more than seven years of reporting, the **EPMS Quarterly *Shopping Report Performance Comparison*** represents over 85,000 shopping reports creating the industry's most comprehensive "*benchmark*" of leasing performance. Yet, the EPMS Benchmark does not measure and compare the entire industry's leasing aptitude. Rather, the ***Shopping Report Performance Comparison*** measures and compares the leasing proficiency and expertise of those top management companies who choose to provide their mystery shopping report data for our quarterly study. These companies can then see how their leasing professionals rank and compare with other major multi-family operators who make leasing excellence a primary focus throughout their apartment portfolio.

The Leasing Presentation: Setting the "*Customer Service*" Tone for the Future Resident

In last quarter's Benchmark Letter, our customers confirmed the hypothesis that the apartment community benefits from the salesperson/customer interaction in more ways than simply a "closed prospect". Not only does it add to the resident count, the leasing experience also defines the long-term relationship you will have with this *future resident*. The leasing experience is the initial stage of that never-ending wooing of our residents that we generally refer to as *Resident Retention*. When presented properly, this does not distract from the leasing professional's objective to gain a new, qualified resident.

The sales presentation marks the initial beginning of what we hope will be a long-time relationship while customer service is our effort to maintain and deepen that relationship. The sales presentation is the courting, the initial overture to this prospect that we hope will grow into a mature relationship; that is, the prospect becomes a resident. Then, customer service is the marriage, the ongoing nurturing of that relationship. You cannot be successful with the latter if you do not first present a genuine and memorable proposal! The leasing presentation defines and sets the tone for the rest of the new resident's stay.

The Leasing Presentation as a Strategic Component of Your Overall Resident Service Program

As demonstrated last quarter, the initial sales presentation sets the tone for the level and quality of service the customer can expect if he chooses to lease at your community. Review the observations and experiences of last quarter's EPMS customer interviewees at this link: <http://www.epmsonline.com/benchmark/Benchmark1Q06.pdf>

This quarter we observe how a service-oriented sales presentation can be influenced through the proper leasing training curriculum along with service-based coaching and day-to-day modeling of the supervisor. We will also hear how this quarter's leading companies use the recruiting process and their employee orientation to mold the service-oriented leasing professionals. For added perspective, we will look outside our industry to see how one of the world's leading hotel groups, the Ritz-Carlton Company, instills their signature, "It's my pleasure" service attitude in every staff member. First, let us recognize all of this quarter's participating companies as well as the top three leaders in our leasing performance comparison.

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

For years, our shopping customers would ask, "*How do my on-site leasing professionals compare to those in other similar companies?*" So, in the First Quarter 2000, the **EPMS *Shopping Report Performance Comparison*** was created to answer that question. Known nationally as the "Benchmark", our quarterly report allows you to compare your company's leasing performance to other national and regional operators. By measuring the affirmative answers to ten leading and universal performance questions that are common to all telephone/on-site mystery shopping reports, we rank participating companies on a fair, weighted, and equal basis, according to their average score. These ten questions are included in the Second Quarter 2006 comparison chart results attached to this letter.

37 Participating Companies Representing 4,861 Total Shops

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 40 shops during the quarter is required to be included. This summary participation represents a shopping report total of 4,861 evaluations. We are delighted to welcome two new participating companies, **ZOM Residential Services** and **CTL Management, Inc.** We want to identify and warmly thank all of the current companies who contributed their shopping data to this quarter's *Shopping Report Performance Comparison*.

Akli Residential	Drucker & Falk, LLC	Pinnacle Realty Management
Archstone Communities	Equity Residential	Post Properties
AvalonBay Communities, Inc.	Fairfield Residential	Prometheus Real Estate Group
Bozzuto & Associates	Fogelman Management Group	RAM Partners, LLC
BRE Properties	Gables Residential Services	Rockwell Management
Capreit	Greystar Management	RREEF
Capstone Real Estate	Home Properties	Simpson Property Group
Carmel Partners	JPI	Tarragon Management, Inc.
Colonial Properties Trust	Legacy Partners	United Dominion Realty Trust (UDRT)
Con Am Management	Lincoln Property Company	Village Green Companies
Concord Management	Lynd Company, The	Waterton Property Management
CTL Management, Inc.	Metric Property Management	ZOM Residential Services, Inc.
CWS Apartment Homes	Milestone Management	

Second Quarter 2006 Benchmark Average Drops to 84.2%

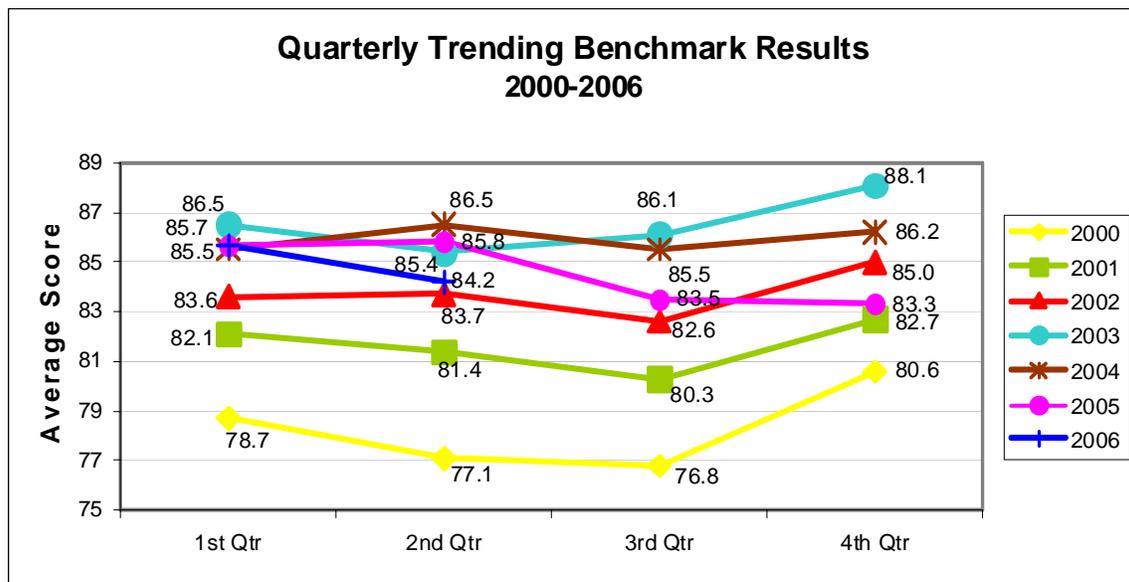
The second quarter continues a gradual decline from its 2004 peak average of 86.5%, the second highest in the history of the **EPMS Quarterly Shopping Report Performance Comparison**. Historically, the second quarter drops down from the previous first quarter but was a bit more pronounced this quarter dropping 1.5 points from first quarter, 2006. Below is a seven year summary of the second quarter averages as well as the high and low averages from individual Benchmark participating companies

2 nd Quarter	Overall Average	Company Score – Average Ranges		Total Shops
		High	Low	
2 nd Quarter 2006	84.2%	94.3%	69.0%	4,861
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

Not only has the second quarter dropped 1.6 points from the same quarter last year, the spread between our top and bottom Benchmark participating company's average score is larger with more than a 25 point separation. This gap is not particularly significant since the specific participating companies change somewhat each quarter. Yet, there are four companies with lower averages this quarter than our lowest average last quarter. This may be explained by the quarterly trending explanation below.

Quarterly Trending

What about quarterly trends? Is there any consistency in the way the Benchmark's overall average moves from season to season, quarter to quarter? We continue to see a distinct smile ☺ or curve as we use the line graph below to track the historic annual first through fourth quarters on one chart. We still believe that many leasing professionals are actually more focused and perform better in the winter and fall when traffic is slower, vacancy is higher, and the office is less hectic; giving the leasing professional more time (and motivation) to lease better! And for years our data has proven this hypothesis. That trend between the first and second quarters has not been as pronounced the past four years with the 2004, second quarter actually increasing from the first. This year the trend remains true as the drop from first to second quarter is a full point! If the trend remains true, the third quarter 2006 should drop even lower than our current second quarter. We will also expect the fourth quarter up-tick this winter in average Benchmark scores, a trend which has proven dependable year after year.



LPC Achieves Top Spot! 94.3% Average Benchmark Score!

We salute one of our original *Shopping Report Performance Comparison* participants, **Lincoln Property Company (LPC)**, for their top average score this quarter. With over 100,000 units in 29 states, LPC is the nation's fourth largest apartment operator and still a privately held company. Their commitment to leasing excellence is evident in the company's eight first place finishes and 13 second or third place finishes throughout the seven years of this comparison. In fact, LPC has placed in the top three positions 21 out of 26 quarters! LPC Senior Vice President **Scott Wilder** gives the credit to the 3,124 Lincoln associates throughout the country.

"We are extremely proud of our LPC team for achieving first place on the Benchmark Report as well as the highest overall score in the history of our company. While it is fantastic to win, the significance cannot be overshadowed by our team's consistent placement in the top three positions since 2001. This is a great day for the LPC team!"

Nipping at LPC's heels was Atlanta-based **Gables Residential** in the second position at 93.26%. New York-based **Tarragon Management, Inc.** achieved an impressive third place with a 92.75% overall *Shopping Report Performance Comparison* average score. Congratulations to all three companies for their commitment to leasing excellence. These achievements do not happen by accident. Nor are these companies completely surprised when they reach the top level on a given quarter. There is a calculated plan and measurable goal with a cooperative corporate culture as its foundation that creates the environment for their success. To read more about how companies score higher on the Benchmark and what it does to their bottom line, click this link to our Fourth Quarter 2005 Benchmark letter:

<http://www.epmsonline.com/benchmark/benchmark4Q05.pdf>.

The Foundation of GREAT Customer Service (AND Renewals) Starts in the Leasing Presentation

The EPMS Shopping report certainly provides insight regarding your leasing professional's sales abilities. Yet, many of the factors measured in a shop, typically considered as sales related techniques, are actually customer service principles that are practiced in all aspects of communication and interaction with the prospect, resident, and people in general. For example:

- First impressions are important.
- Immediate response and sincerity are hallmarks.
- Great communication skills and proper etiquette are critical.
- Respond to needs with solutions that are not simply "acceptable" but often exceed expectations.
- Provide an environment that is superior and a joy in which to do business.
- A product or service that lives up to expectations is truly worthy of selling and survives the long-term test of everyday use. It also creates repeat customers...resident retention.

We asked our Benchmark leaders to tell us about the relationship between the leasing presentation and presenting service...customer service. Remarkably, they all echoed similar sentiments.

"Customer service is selling! Even when it seems the leasing professional is not trying to sell, if they have great customer service skills, the rental prospect will want to buy." Says LPC's Vice President of Marketing and Training, **Maria Lawson**. "Isn't that what relationship leasing is all about? We teach all LPC associates that leasing starts with the mindset of service.

The old adage is true: *People don't remember what you do or say. They remember how you made them feel.* For many years, LPC had a company slogan that played off their three letter name; **LPC – Lincoln People Care**. While it is no longer the official company motto, according to Lawson, it still defines the corporate culture and the on-site sales presentation approach.

“Looking for an apartment is like finding a new doctor. You are putting your life, family, and possessions in someone else’s hands. We cannot let them down by not delivering the service our LPC sales presentations reflect and imply.” All LPC on-site office employees are required to attend and participate in the four day fundamental “Sales and Service” and “Leasing 101” courses. The curriculum and training combine a heavy dose of service along with relationship-oriented leasing skills. Lawson notes, “The service oriented sales process builds the relationship and trust that makes it natural (and expected by the prospect) for the leasing professional to ask, ‘*Would you like to leave a deposit today?*’”

“A good salesperson is one who takes care of his customer, not simply sells them something,” says **Wendy Muse**, Vice President of Education for Tarragon Management, Inc. She reminds us, “As with any form of customer service, the key is to sell to each rental prospect in a way that is considered *good service* to that individual.” She explains that the best customer service is *made to order*. One size never fits all because each prospect’s perspective and rental needs is different. “We know our customer service has been appropriate when residents refer their friends and decide to stay and renew rather than move to another community. The same is true in the sales process. When someone likes the way they are treated and feels a connection with our leasing professional, that is good customer service.” Muse adds that the result is more new residents who move in and feel positive about their decision from the beginning. The goal is then to continue meeting those service expectations that are established in the sales presentation.

Jana Muma, Gables Residential Vice President of Training, agrees with Muse about the sales presentation being another facet of service. “Our primary focus as an apartment management company is customer service and satisfaction. These high standards are factors in reaching our goal to be the “**Ritz-Carlton**” of the apartment industry. Memorable service is a foundation of each sales presentation.” More than just words, Gables employs a Ritz-Carlton like performance standard called the **12 Pledges to Customer Service**. This service promise is framed in each office for every staff member, resident, and rental prospect to see. Not only does this assurance of “service above and beyond” define the core teachings of the Gables Residential new employee orientation, it is also part of every sales presentation. Demonstrating customer service and showcasing the many resident services offered by the particular Gables community IS the most powerful sales technique. By *servicing* rather than hard-selling, a strong connection is made and a relationship established with the rental prospect. This leads to a natural trust level making it easier for the rental prospect to commit.

Many of the Gables Residential **12 Pledges to Customer Service** are strategically incorporated into the sales presentation. For example, pledge #4 states, “Professional Communication Etiquette is Essential.” Proper diction, grammar, communication skills, and social graces are a part of Gables’ core leasing training. They also incorporate pledge #6, “Each associate is a goodwill ambassador for the company,” and #8, “Cleanliness is the responsibility of every associate.” These are customer service fundamentals that truly enhance the sales experience! Speaking of Gables Residential’s goal to be the **Ritz-Carlton** of our industry...

Ritz-Carlton’s Gold Standard Service IS their Sales Process

The similarities between the hotel industry and the apartment business are many. Hotels depend upon providing an expected level of service to its guests starting with the initial sales (reservations) experience and greeting. Guest loyalty, satisfaction, and retention can be enhanced with every personal interaction including the initial inquiry by website visits and phone calls to the reservation center. We thought it would be helpful to see what we could learn from the hospitality industry, and we only wanted to interview the very finest!

As Gables Residential and dozens of other apartment companies have recognized in their training, the epitome of exemplary customer service among US companies is the Ritz-Carlton Hotel Group. Established in 1983 with the purchase of The Ritz-Carlton, Boston, and the rights to the name Ritz-Carlton, the management company has grown from one hotel to 58 hotels worldwide (18,475 guest rooms) with plans for further expansion in Europe, Africa, Asia, the Middle East and the Americas. Every part of this company’s culture is based on providing the finest customer service beginning with its infamous motto that “exemplifies the anticipatory service provided by all staff members.”

“We are ladies and gentlemen serving ladies and gentlemen.”

“Who is on your team?” That is the starting point for developing world class service according to **Tom Donovan**, General Manager at the **Ritz-Carlton Bachelor Gulch Hotel and Resort** just outside of Vail, Colorado in the mountain village of Avon. It is the thoughtful recruitment and hiring that creates the possibility of appropriate and memorable “customer engagements” with the Ritz-Carlton guests in the future. Only the finest *Ladies and Gentleman* can maintain the company’s distinguished **Gold Standards**, http://www.ritzcarlton.com/corporate/about_us/gold_standards.asp.

Donavan explains the four key components in developing teams that can truly carry the Ritz-Carlton banner. Maintaining an extraordinary staff is especially challenging at his particular resort since the **Ritz-Carlton Bachelor Gulch** is a ski destination that must ramp up its workforce each season! Listen up, apartment operators! These four steps show the company's commitment to the "selection, growth, recognition, and development of talented ladies and gentlemen." These can certainly benefit our industry.

1. **Make sure employee selection is First Class.** It all starts with finding the best candidates. Donovan says that the Ritz-Carlton has a long-term relationship with Lincoln, Nebraska based Talent-Plus, an international psychological selection and human resource consulting firm. In order to place people in roles they are most likely to be successful, a *Quality Selection Process* (QSP) was developed in partnership with Talent-Plus. The Ritz-Carlton QSP sets a standard of excellence in "casting" the right person to the right job, ensuring the best customer service. "By conducting research with employees and customizing interviews, candidates are identified that are most likely to be the best performers in specific roles." A *Talent Benchmark* for all hotel positions from housekeeper to General Manager has been established. Candidates are then compared to the appropriate benchmark enabling the company to hire individuals with attributes and characteristics most like their current top performers.
2. **Employee Orientation is Day One!** "No employee can begin work at a Ritz-Carlton Hotel without first attending orientation. Period!" Donovan tells us that the formula for the two-day employee orientation creates a memorable event for the new team member and establishes the Ritz-Carlton culture and expectations from the very beginning of this relationship. "Everyone remembers their first day at a new job, but they have no idea what happened on the second day! In fact, they may not even remember the afternoon of the first day. That is why we make our orientation, especially in the morning, a significant emotional event!" And memorable the orientations are! The hotel General Manager *always* conducts the first hour of orientation, communicating and modeling the attitude and culture that defines the Ritz-Carlton service promise. Donovan explains, "If the top person thinks it is important enough for him to be there, that says better than most anything else that this is a serious and relevant event!" What takes place the first three hours of that day sets the tone for the new associate's entire work experience. At the end of this two-day indoctrination, employees buy in and become a part of the Ritz-Carlton (the **mystique**, they refer to), not just working for the company.

Orientation dates are set in advance and all department managers plan their staffing around this schedule. Donovan jokes that any employee in any company who does not attend an initial planned orientation will receive an "orientation" regardless; but not in the format or with the content that necessarily instills the appropriate corporate culture or mission! "If we don't provide that *significant emotional event* on the new employee's first day, then it may come from 'Sally the terrorist' or 'Dave the downer'! In other words, not all employees, even the high performers, are equipped to provide a new employee with a proper orientation."

A six-hour follow-up to orientation termed **Day 21** takes place about three weeks after the new employee's start date. Again, the General Manager conducts the first hour soliciting feedback about the new employee's training and experience to date. Within an open and free atmosphere, the GM asks, "How is it going? What did we miss in your training? Are there issues we need to discuss or explain?" Donovan explains, "The **Day 21** meeting allows us to fill in any holes that were not covered in the initial orientation. Orientation does not stop even after **Day 21**. The Ritz-Carlton Hotel Group requires all employees to be re-oriented annually at the **Day 365** orientation and awards meeting. This one-day meeting with lunch is used to remind and reinforce the Gold Standards including the Credo, Motto, Service Values, and the Employee Promise. A recertification test is not a concern because employees have averaged 120 hours of training at this point. Service recognition for one, five, and ten years of employment are also made at the **Day 365 significant emotional event**.

3. **Training.** First Class employee selection and a memorable orientation on day one set the stage for an ongoing training program that is as much a part of the company's culture as is the Gold Standards. Each Ritz-Carlton Hotel has a full-time Director of Training and each department has one person with training responsibilities. With an average of 120 and as many as 200 hours of training the first year, Ritz-Carlton associates are programmed for success. Top performers in each of the hotels 35 departments are drafted to be trainers in their areas of expertise. They become certified by attending a three-day "Train the Trainer" event and are provided customized curriculum and a rigid training schedule specific to their department. "Managers do not train!" says Donovan. "They don't know the job and they don't have the time." Instead, these specifically prepared employee trainers can dedicate a full day or more of hands-on guidance and attention to new staff members. The new employee is learning from an associate who will be there to provide support and input for the long term. Department managers ensure that the training schedule is followed, and on **Day 21**, the employee can give feedback about the process. The Ritz-Carlton training program ranks in the top 10 annually of *Training Magazine's* list of the Top 100 Training Organizations.
4. **Daily Lineup.** Much like a "team huddle", the Ritz-Carlton **Lineup** is the system-wide 15 minute gathering of employees every morning in their departments. The Lineup schedule is standard throughout the company; five minutes discussing what is happening at the corporate level, another five minutes talking about their hotel events and gatherings

of the day and week and important guests arriving, and finally five minutes reviewing one of the Gold Standards **20 Basics**. The Lineup may be the company's most important tool in maintaining their superior service standards. Donovan tells us, "Good working relationships require communication. The Lineup allows daily communication and maintains a sense of purpose for all employees." It is truly the company adhesive and bond as all 25,000 Ritz-Carlton employees worldwide are doing the same Lineup in their locales.

As department team members gather, a prepared agenda is used to reinforce service values and define the Ritz-Carlton culture and message. "Companies with the best and strongest corporate culture push it every day. You cannot control every employee/guest experience but in the Lineup, we can influence it," says Donovan. The Lineup is also used to reinforce the company's long-standing principle of employee empowerment. Employees cannot evade difficult situations by muttering, "It's not my job." In the Lineup, Ritz-Carlton team members are reminded that job descriptions are irrelevant when guest satisfaction is at risk. Even a new employee can commit up to \$2,000 of the hotels dollars to quickly resolve a guest concern! That is one of the fundamentals of the world-class service provided by the Ritz-Carlton Ladies and Gentlemen.

"The line-up is our daily commercial to the employees," Donovan notes. "The message of service and the review of our core values creates the human beings responsible for the Ritz-Carlton **mystique**." This Ritz-Carlton "mystique" is more than a vague or ambiguous aura. It is the message that the employees, and ultimately all customers and vendors, proclaim about the hotel's services and facilities throughout the world. It is the buzz about those customer services that are always delivered with such style and dedication that makes the accompanying employee declaration, "**It's my pleasure**," ring true and genuine. These constant praises, the mystique, about the Ritz-Carlton, has minimized the need for print and other advertising as satisfied guests and employees provide sufficient acclaim and recommendation!

Customer Service and Sales are synonymous at the Ritz-Carlton Hotel Group. All sales and reservations positions require the same training and customer service skills as any other hotel employee. The job description for a sales reservation agent includes the signature requirement to have the "*Ability to project a positive attitude over the telephone and have the spontaneous desire to assist others and provide excellent service.*" The Director of Sales at Donovan's Avon, CO hotel location also has a services/sales mandate in their official job responsibilities; "*Must be sales and relationship driven and service oriented.*" Customer service and guest satisfaction remains the foundation in all customer engagements, even sales! Donovan told us, "The employees in sales have the benefit of selling the Ritz-Carlton *experience* that they witness and participate in every day. Our employees are emotionally attached to the product and their exuberance spills over into their sales presentations."

We recently called the toll free Ritz-Carlton reservation center and were treated to a delightful, engaging young lady who attempted to sell us golf reservations and an upgraded room while remaining friendly, low key, and service-oriented. While she strongly suggested I make a reservation NOW to hold the room rate, she was gracious and understanding when I said I needed to consult my wife. She said that would be a good idea and ended the call with, "It's been my pleasure to assist you." We sensed she truly meant it.

Yes, It Starts with the Right Team Member. With no knowledge of the Ritz-Carlton interview and Tom Donovan's comments about the importance of employee selection, all of our industry contributors made very similar comments. Jana Muma believes in first class employee selection. "We continue to use a hiring and testing model that helps us identify the candidates that are equipped to succeed. New associates are encouraged to memorize the **12 Pledges of Customer Service**." Finally, the Gables training curriculum teaches the leasing professional to sell the services of their community keeping the sales presentation a service in itself!

"It still goes back to the people you hire, how you train, and how you monitor and evaluate. When it is *not happening* at the sales position, it is usually not happening at the top. The business manager or regional supervisor is not communicating the right message," says Maria Lawson. "After all these years, we are proud to be at a place in the industry where we can proudly wear this new banner, our new corporate motto: "**Our Reputation is our Foundation!**" LPC tends to promote from within. Those apartment professionals that rise to the top have often been with the company for years, and the former corporate slogan, **Lincoln People Care**, really means something to them. That "people are important" mentality and customer service orientation is seen in all aspects of operations including on-site leasing!

According to Lawson, the shopping reports do reflect the LPC leasing professional's customer service tendencies. In addition to checking the overall mystery shop score, Lawson reads all the comments. "The right leasing associate will get more than a good score. They will also get a lot of positive comments."

Hiring the right person is important, but Wendy Muse reminds us that the "right" team means having the right leaders, too! This training is conducted by individuals who can truly "do" what they teach and are shining examples of relationship-oriented selling, superior people skills, and customer service. When the opportunity to deal with a prospect or resident arises,

they exude with the desire to serve and perform as a lady or gentleman. Supervisors have had the same training as the new team members and model the visible and audible behavior that is considered “good” customer service.

Customer Service Index. We have isolated 10 shopping report questions that are related to customer service to measure service-oriented tendencies. Based on over 5,000 shops in the second quarter 2006, these questions reflect the sort of service the prospect can expect if he moves in. The 10 questions are universal to shopping reports and are found in some form or fashion in almost all written evaluations conducted by EPMS. The questions address customer service “basics” such as being perceived as warm and friendly, immediate acknowledgement, and making a positive first impression.

Customer Service-based leasing is not really new. The service-based questions we have identified below have been measured in most shopping reports for years. A quick review of the average scores seems to indicate our customers have high marks in these service-oriented types of leasing performance questions. And why would they not? Companies that frequently shop their on-site professionals tend to score superior in leasing skills and sales expertise. Our shoppers would not rate these leasing professionals so high unless their sales presentation included many skills that work as well in customer service as they do in leasing.

EPMS Customer Service Index - 2nd Quarter 2006
Average Scores On Customer Service Oriented Questions In EPMS Shopping Reports

Question	% Yes
1. Did the Leasing Professional convey a warm and inviting attitude?	90.4%
2. Based on the Leasing Professional's telephone presentation, were you motivated to visit the community?	79.4%
3. Was your first impression of the community and curb appeal a positive one?	94.7%
4. Did the Leasing Professional greet you with a smile, or if busy, acknowledge you immediately?	92.6%
5. Did the Leasing Professional make a positive first impression and appear genuinely interested in helping you?	90.6%
6. Did the Leasing Professional show an apartment that was clean, made ready, and comfortable in temperature?	86.6%
7. Did the Leasing Professional point out advantages you said were important?	80.2%
8. Did the Leasing Professional effectively overcome your objection(s)?	85.4%
9. Based on the Leasing Professional's on-site presentation, would you have leased an apartment?	82.3%
10. Did the Leasing Professional follow-up by:	
a. Telephone?	40.4%
b. Mail?	29.0%
c. Email?	11.3%

For over 21 years, **Ellis** Property Management Services has been your *Partners in Mystery Shopping*. For that reason, we are enhancing our identity by using a new name that defines our core business. **Ellis** is the name that is synonymous with the finest apartment mystery shopping in the apartment industry. And we have always viewed you, our customers, as partners in this effort. Therefore, as EPMS adds to its array of shopping and training services, we want our name to evolve with this growth. EPMS, a name you have known for more than two decades now has a new twist; EPMS is now **Ellis, Partners in Mystery Shopping**. It is an honor to partner with you.

Thank you for your continued support. We look forward to partnering with you for the long term!

Sincerely,

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Enclosure



**SHOPPING REPORT PERFORMANCE SUMMARY®
MULTIFAMILY INDUSTRY BENCHMARK
SECOND QUARTER, 2006**

	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	81.13%	70.91%	91.17%	85.45%	93.21%	95.29%	87.53%	94.34%	59.25%	83.30%	84.16%
Lincoln Property Company	96.69%	89.81%	96.69%	93.39%	98.35%	96.97%	95.59%	98.35%	83.47%	93.66%	94.30%
Gables Residential Services	94.74%	84.21%	97.89%	92.63%	95.79%	100.00%	92.63%	95.79%	89.47%	89.47%	93.26%
Tarragon Management, Inc.	100.00%	87.50%	92.50%	97.50%	97.50%	92.50%	97.50%	97.50%	77.50%	87.50%	92.75%
CLIENT 4	77.50%	87.50%	95.00%	100.00%	97.50%	100.00%	97.50%	97.50%	77.50%	95.00%	92.50%
CLIENT 5	93.02%	83.72%	95.35%	79.07%	95.35%	100.00%	95.35%	97.67%	88.37%	90.70%	91.86%
CLIENT 6	90.77%	84.82%	96.43%	89.29%	97.92%	95.83%	92.26%	98.51%	77.38%	91.07%	91.43%
CLIENT 7	90.48%	88.10%	90.48%	92.86%	95.24%	100.00%	90.48%	97.62%	73.81%	92.86%	91.19%
CLIENT 8	89.83%	88.14%	94.92%	93.22%	96.61%	98.31%	88.14%	96.61%	76.27%	88.14%	91.02%
CLIENT 9	84.21%	81.58%	100.00%	97.37%	100.00%	97.37%	92.11%	94.74%	60.53%	97.37%	90.53%
CLIENT 10	85.34%	78.01%	94.24%	93.19%	95.81%	98.95%	92.67%	95.81%	72.77%	89.53%	89.63%
CLIENT 11	79.49%	78.21%	96.15%	92.31%	98.72%	96.15%	97.44%	94.87%	51.28%	92.31%	87.69%
CLIENT 12	92.42%	80.30%	89.39%	93.94%	86.36%	90.91%	90.91%	100.00%	68.18%	77.27%	86.97%
CLIENT 13	80.67%	71.33%	97.33%	91.33%	94.67%	94.00%	90.00%	90.00%	60.67%	88.67%	85.87%
CLIENT 14	61.11%	86.11%	97.22%	86.11%	91.67%	100.00%	86.11%	97.22%	63.89%	88.89%	85.83%
CLIENT 15	83.18%	75.87%	90.37%	85.49%	98.33%	95.25%	85.88%	94.35%	58.28%	82.93%	84.99%
CLIENT 16	80.51%	72.03%	91.53%	91.95%	92.37%	95.76%	88.56%	94.07%	56.36%	85.59%	84.87%
CLIENT 17	74.60%	65.08%	92.06%	93.65%	90.48%	96.83%	88.89%	95.24%	60.32%	87.30%	84.44%
CLIENT 18	89.06%	64.06%	89.06%	86.72%	83.59%	93.75%	92.97%	97.66%	63.28%	82.81%	84.30%
CLIENT 19	87.50%	73.87%	93.18%	83.52%	90.91%	94.32%	84.66%	97.16%	51.71%	84.66%	84.15%
CLIENT 20	72.34%	63.83%	91.49%	87.23%	93.62%	92.55%	88.30%	91.49%	70.21%	86.17%	83.72%
CLIENT 21	84.28%	60.38%	92.45%	81.13%	94.34%	95.60%	84.91%	98.11%	60.38%	85.53%	83.71%
CLIENT 22	94.12%	63.73%	91.18%	92.16%	91.18%	95.10%	82.35%	92.16%	50.98%	82.35%	83.53%
CLIENT 23	85.05%	68.04%	92.78%	88.14%	90.72%	96.91%	81.96%	96.39%	49.48%	78.87%	82.84%
CLIENT 24	55.74%	50.82%	93.44%	93.44%	96.72%	98.36%	86.89%	100.00%	52.46%	88.52%	81.64%
CLIENT 25	80.65%	61.29%	91.94%	79.03%	95.16%	98.39%	83.87%	95.16%	46.77%	82.26%	81.45%
CLIENT 26	68.29%	56.10%	90.24%	85.37%	96.34%	97.56%	84.15%	95.12%	54.88%	82.93%	81.10%
CLIENT 27	89.06%	68.75%	82.82%	79.69%	93.75%	100.00%	68.75%	93.75%	56.25%	71.87%	80.47%
CLIENT 28	67.65%	73.53%	85.29%	83.82%	89.71%	95.59%	91.18%	94.12%	38.24%	79.41%	79.85%
CLIENT 29	79.09%	57.27%	82.73%	81.82%	89.09%	95.45%	94.55%	90.00%	39.09%	76.36%	78.55%
CLIENT 30	67.65%	63.24%	83.82%	76.47%	83.82%	100.00%	82.35%	94.12%	44.12%	75.00%	77.06%
CLIENT 31	76.00%	53.71%	88.57%	65.71%	87.43%	96.00%	86.29%	87.43%	42.86%	70.86%	75.49%
CLIENT 32	57.03%	57.81%	84.38%	78.13%	89.84%	90.63%	83.59%	85.94%	41.41%	75.78%	74.45%
CLIENT 33	61.72%	60.16%	86.72%	73.44%	85.16%	88.28%	78.13%	91.41%	46.09%	72.66%	74.38%
CLIENT 34	62.86%	53.33%	83.33%	75.71%	84.76%	90.95%	82.38%	89.52%	39.52%	72.38%	73.47%
CLIENT 35	68.75%	66.67%	75.00%	66.67%	89.58%	89.58%	75.00%	81.25%	43.75%	62.50%	71.88%
CLIENT 36	64.44%	44.44%	81.11%	71.11%	78.89%	87.78%	85.56%	90.00%	35.56%	65.56%	70.44%
CLIENT 37	59.32%	30.51%	91.53%	62.71%	86.44%	89.83%	67.80%	86.44%	40.68%	74.58%	68.98%

Participating Companies:

Amlis Residential	JPI
Archstone Communities	Legacy Partners
AvalonBay Communities, Inc.	Lincoln Property Company
Bozzuto & Associates	Lynd Company, The
BRE Properties	Metric Property Management
Capreit	Milestone Management
Capstone Real Estate	Pinnacle Realty Management
Carmel Partners	Post Properties
Colonial Properties Trust	Prometheus Real Estate Group
Con Am Management	RAM Partners, LLC
Concord Management	Rockwell Management
CTL Management, Inc.	RREEF
CWS Apartment Homes	Simpson Property Group
Drucker & Falk, LLC	Tarragon Management, Inc.
Equity Residential	United Dominion Realty Trust (UDRT)
Fairfield Residential	Village Green Companies
Fogelman Management Group	Waterton Property Management
Gables Residential Services	ZOM Residential Services, Inc.
Greystar Management	

Benchmark 1st Place Company:

Lincoln Property Company
Scott Wilder, Senior Vice President

"We are extremely proud of our LPC team for achieving first place on the Benchmark Report as well as the highest overall score in the history of our company. While it is fantastic to win, the significance cannot be overshadowed by our team's consistent placement in the top three positions since 2001. This is a great day for the LPC team!"

* Representing 4,861 shopping reports