PARTNERS IN MYSTERY SHOPPING

The EPMS *Shopping Report Performance Comparison*
A Multifamily Industry Benchmark
4th Quarter 2010

Happy New Year! Consumers temporarily put economic concerns aside this holiday season, setting a sales record reaching over $520 billion, up 5.5% over last year. On the flip side, consumer confidence took an unexpected step backward in December with Americans more concerned about high unemployment, falling home prices and the high number of foreclosures. According to the Conference Board, a global independent research association, consumer confidence slipped to 52.5 in December from 54.2 the month prior.

Analysts are predicting 2011 to be a year of noticeable progress as the economy gains strength. According to figures released by the Bureau of Labor Statistics, unemployment fell by almost half a percentage point in December, dropping the national unemployment rate to 9.4%. This figure is the lowest unemployment rate for all of 2010. Still, there is a lingering threat with ongoing home foreclosures. Currently there are more than 4 million homeowners in foreclosure, a number that is expected to rise in 2011. As long as housing prices weaken, the economy is at risk. Homes are still the most valuable asset most households own.

In contrast, as home sales and prices continue to fall, the apartment market appears to be gaining strength. The national apartment vacancy rate fell from 7.1% in the third quarter to 6.6% in the fourth quarter; this was one of the sharpest drops on record, according to REIS Inc., a real estate research firm. Some experts believe that people are beginning to question the value of homeownership and turn towards the key advantage to renting, greater employment mobility. Real estate investors are also seeking the future success of rentals. Market factors such as a stagnant construction market, appealing interest rates and declining inventories are leading to a push from investors to acquire property while it lasts.

Regardless of what the future holds in the apartment industry, we maximize our success when our communities are staffed with well-trained, superior, loyal, service-oriented leasing professionals. And with that thought in mind, we present our **4th Quarter 2010 EPMS *Shopping Report Performance Comparison*** as a benchmark and tool to help you see how your company measures up to some of the top national and regional operators in the industry.

The EPMS Quarterly *Shopping Report Performance Comparison*: A Multifamily Industry "Benchmark." For many years, our shopping customers asked, ***"How do my on-site leasing professionals compare to those in similar companies?"*** So, in the First Quarter 2000, we created the EPMS *Shopping Report Performance Comparison* to answer that question. Known 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 common to all telephone/on-site mystery shopping reports, we rank participating companies on a weighted and equal basis. These 10 questions are included in the comparison chart attached to this letter. We want to identify and warmly thank all the current companies that contributed their shopping data to this quarter's *Shopping Report Performance Comparison*. We welcome JLC Southeast to the comparison this quarter.

Alliance Residential Company
Amli Residential
BH Management Services, Inc.
Bozzuto & Associates
BRE Properties
Capreit
Capstone Real Estate
Carmel Partners
Colonial Properties Trust
CTL Management, Inc.
CWS Apartment Homes
E & S Ring Corporation
Fairfield Residential
Gables Residential
Greystar Management Services
IMT Residential
JLC Southeast
JMG Realty, Inc.
Kettler Management
Laramar Group
Legacy Partners Residential, Inc.
Milestone Management
Mission Residential, LLC
Pinnacle (PRMC)
Post Properties
RAM Partners, LLC
SARES•REGIS Group
Sequoia Equities
Simpson Property Group
The Bainbridge Companies
UDR
Venterra Realty
Waterton Residential
Weidner Apartment Homes
Western National Property Management

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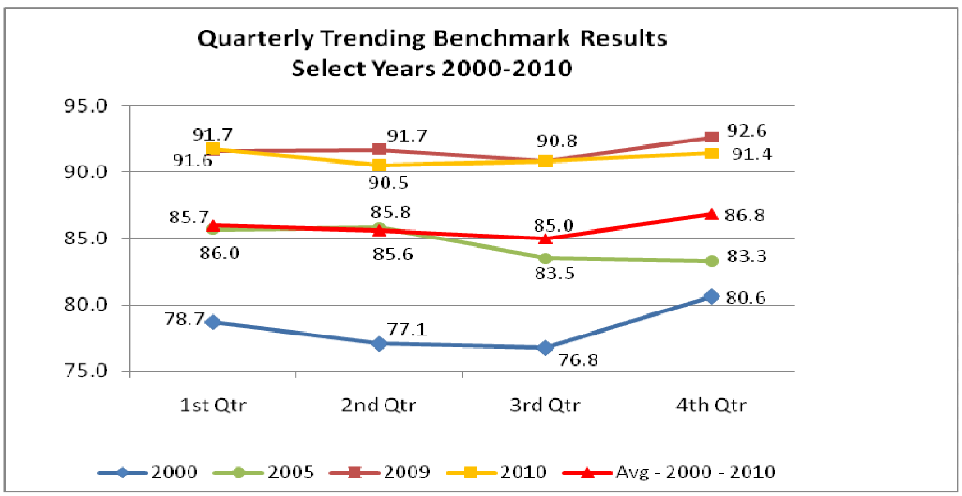
Overall Average Takes a Dip

Below is an 11 year summary of the fourth quarter benchmark averages as well as the highest and lowest average scores of the participants. The overall average took a -1.2% dip, breaking an upward trend that has been in place since 2005. The high increased slightly as compared to 4th Q 2009, but the low decreased by -0.9%.

Fourth Quarter	Overall Fourth Quarter Average	Company Score – Average Ranges		Total Shops
		High	Low	
4th Quarter, 2010	91.4%	98.7%	79.4%	3,885
4th Quarter, 2009	92.6%	98.1%	80.3%	4,090
4th Quarter, 2008	90.9%	97.8%	75.5%	4,878
4th Quarter, 2007	87.7%	96.9%	72.1%	5,075
4th Quarter, 2006	86.2%	95.7%	74.3%	4,441
4th Quarter, 2005	83.3%	93.9%	69.8%	3,796
4th Quarter, 2004	86.2%	93.9%	66.7%	5,448
4th Quarter, 2003	88.1%	94.4%	76.3%	5,131
4th Quarter, 2002	85.0%	90.8%	75.2%	2,145
4th Quarter, 2001	82.7%	88.9%	64.7%	1,917
4th Quarter, 2000	80.6%	89.2%	60.0%	1,261

Consistency, determination and focus are mantras that we continue to hear from our top performers. This quarter's high scores are reflective of their commitment. This quarter's overall average of 91.4% is the second highest overall average in the fourth quarter in the history of the benchmark.



A new benchmark leader! THE BAINBRIDGE COMPANIES ranks FIRST PLACE with an outstanding average shopping score of 98.67% (99% standard deviation percentage; 4.05 standard deviation). The Bainbridge team set two company records—surpassing their score of 97.65% set in the first quarter of 2010 and making it to the number one spot! Founded in 1993, The Bainbridge Companies is an owner, developer and manager of approximately 10,000 apartment homes located throughout the Eastern United States. **Colleen Nolan**, Director of Training, commented on her team's success,

"We are so proud of the entire Bainbridge Team for their commitment to excellence. Through their continued hard work and focus on customer service each and every day, they have once again proven to be the premiere team in the industry."

CARMEL PARTNERS, a consistent performer, takes SECOND PLACE with an impressive benchmark average of 97.47% (97% standard deviation percentage; 5.75 standard deviation). Vice President, Sales Services, **Kate Grasso**, shared these remarks,

"We are so excited to have placed in the Top 5 in the Fourth Quarter, 2010 Benchmark Report. Our associates work hard and are committed to top leasing performance here at Carmel. This is an outstanding achievement and we are proud of all of our dedicated associates who contributed to this accomplishment. We will continue to stay focused and look forward to much success in 2011."

GABLES RESIDENTIAL SERVICES claims the THIRD PLACE position with an average score of 97.48% (97% standard deviation percentage; 5.98 standard deviation). The Gables team is a consistent performer, placing in the top three benchmark positions more than 27 times! **Jennifer Antos**, Vice President of Learning and Development, commented about her team's ongoing success,

"Gables Residential is proud to once again rank in the EPMS top five. Our associates continue to remain committed to utilizing superior sales techniques and providing excellent customer service. Great job team!"

A new name to the top five, SEQUOIA EQUITIES, takes the FOURTH PLACE position with an average score of 96.87% (97% standard deviation percentage; 6.79 standard deviation). Based in Walnut Creek, California, Sequoia Equities, owns and manages a portfolio of more than 9,000 apartment homes and is one of the largest privately held multifamily real estate investment firms in California. Director of Training, **Tammy Georgantes**, proudly stated,

"Sequoia Equities is proud to earn a top five placement in the 4th Quarter EPMS Benchmark Report. This achievement means a great deal to our company and our overall mission. I would like to thank our team members for turning our sales process into a truly branded experience for our clients. It is their collective efforts that made this accomplishment possible!"

Finishing in the FIFTH PLACE position is WESTERN NATIONAL PROPERTY MANAGEMENT with an overall score of 97.21% (97% standard deviation percentage; 7.43 standard deviation). **Laura Khouri**, President, commented on this achievement,

"I am once again extremely excited that our team has placed in the top five of the acclaimed EPMS Benchmark! The Leasing Associates at Western National recognize in this uncertain economic climate that customer service is of utmost importance and they continually exhibit this through care, compassion and accountability. They deserve all the credit and I have never been more proud of them!"

The Past, Present and Into the Future

As we say goodbye to the past year and welcome in the new, a time has come to reflect and predict the behavior of the next customer that will walk through our door. This is an annual process for many industry leaders. Certainly, the future never arrives as planned but the wild innovations in our industry and changes in our world over the past 30 years have kept things very interesting. Let us take a ride in a time machine to explore the past, present and the future!

The 1980's:

It was the "Me Decade", a generation of status seekers. If you have it, flaunt it! Buying in excess and on credit became a way of life and labels were everything, even for children. The Cable News Network (CNN) began broadcasting, and the United States ice hockey team defeated the Soviet Union's team at the Winter Olympic Games in an upset dubbed the "Miracle on Ice". Arcade and video games were a major industry and by late 1989, the Nintendo Entertainment System claimed 90% of the American video game market. Aerobics, minivans, camcorders, and talk shows became a part of our lives. Computers experienced an explosive growth in the 80's, going from being a toy to a full-fledged industry. Reagan declared a war on drugs, while breaking barriers with the simple demand, **"Mr. Gorbachev tear down this wall!"** MTV was launched in the United States, and Dallas was one of the top television shows during the era. By the way, who really shot JR? At the turn of the decade, many were happy to leave the spendthrift 80's for the 90's, although some thought the eighties were totally AWESOME!

The 80's influenced the world of leasing office fashion, too. Ladies ditched the stringy, long hair of the 70's, opting for perms and lots of hairspray. Teased hair, two-toned eye shadow and glossy lipstick were the "it" look. Men pulled off a new business look with paisley or red power ties worn with fashionable suspenders or a silk vest. It was hard to go anywhere without at least a jacket but the ever traditional 3 piece suite was preferred. The media was a big influence through the popularity of TV melodramas like "Dynasty" and "Dallas".

In 1980, over 33% of renters were single households and 45% of renters were male and under the age of 45. High home prices expanded the number of middle class permanent renters. Households with dependent children were more likely to have been homeowners than renters. As a result, apartments were smaller and developers built more one bedrooms. Apartments were apartments - a box with four walls and a small kitchen. A community laundry room was considered a great amenity. Husband and wife management teams were not uncommon early on but finding a competent couple was quite the task. As you can imagine all communication between management and residents was verbal and most likely face to face. The future resident of the 80's did not have a long list of options, requirements and amenities in their floor plan requests. It was simple, "Do you have a one bedroom on the second floor?"

Consumers began their love affair with credit cards in the 80's. They learned from the previous decade that saving money in a bank could result in the value of that account being wiped out due to inflation or bank failure. They began borrowing money and spending their own incomes on paying off these loans instead of saving for a "rainy day". When someone's business failed or property values decreased, foreclosure became likely.

When the "bubble" burst in 1988, real estate values plummeted and foreclosures and bankruptcies soared. By 1989, over half of the Savings and Loans failed. Developers were indicted for illegal deals and property seized from the savings and loans were liquidated. Rapid growth slowed, and it took several years before the real estate market rebounded.

By the end of the 80's era, the Baby Boomers were moving out of the singles and couples phase and into the parenting phase, while the smaller GenX group were moving away from home.

The 1990's

This was a decade of "discovery". Scientists discovered how to clone animals, and they released the Hubble Telescope. Major League Baseball players went on strike in 1994, thus ending the season, cancelling the World Series for the first time in 90 years. The 90's saw the growth of the **World Wide Web** and the **Personal Computer PC**. In 1991, when the WWW first became available for the public, it grew dramatically. By the year 2000, there were an estimated 295 million users on the Internet.

The recession of the early 1990's was an economic recession that hit much of the world in 1990-1991. Like all recessions, this one had a profound impact on society. Rates of alcoholism and drug abuse increased as did rates of depression. Factors contributing to the slump included rising oil prices, a sharp increase in interest rates, and declining availability of credit. Unemployment rose from 5.2% in 1989 to 7.5% in 1991. Suddenly, just making "ends meet" was considered almost unattainable.

The economy, meanwhile, turned in an increasingly healthy performance in the mid to late 1990's. Productivity was continuing to grow, inflation was relatively low, and the labor market was tight. Innovations in telecommunications and computer networking spawned a vast computer hardware and software industry and revolutionized the way many industries operate. By the late 90's, the economy grew rapidly, and corporate earnings rose rapidly. Low unemployment, low inflation and strong profits sent the stock market surging. The Dow Jones Industrial Average hit the 11,000 mark in 1999, adding substantially to the wealth of many Americans. Many countries, institutions, companies, and organizations were prosperous during this time. The U.S. experienced its longest period of economic expansion during this decade.

The leasing office fashion was also in a "change movement". The cluttered, over-the-top glamour of the 80's took on a simple, understated look in the 90's. The wide shouldered "power suit" fell out of fashion and women's jewelry at the leasing office became minimal in contrast to the flashy 80's accessories. The "mix-and-match" look gained popularity for women and men's office wear relaxed, swapping formal suits and ties for casual, light-weight shirts and trousers. Working from home became more popular towards the end of the era. Overall, office attire became more 'casual Friday' and less 'Corporate Monday'.

We spoke with **Scott Wilder, Senior Vice President, Residential Management,** with **Lincoln Property Company,** and asked him to share his thoughts on property management in the 90's. This is what he had to say.

"The number of affluent individuals and families that choose apartment living over ownership was a growing trend in the 90's. This demographic is frequently referred to as the "lifestyle renter"; these men, women and even expanding families made up a large segment of the rental market. New apartment designs and construction changed in response to these lifestyle renters. Characteristics such as 9 foot ceilings, garages, upscale appliances, business centers, in-home offices and multiple phone lines came to be expected in new construction. Community amenities like resort style pools, organized social activities and elaborate athletic facilities were also commonplace in new high-end communities."

Scott went on to say, "In contrast to the 80's, larger apartments were built to meet the demands and needs of this new renter. The average size of new units constructed in 1996 was 1,075 square feet compared with 880 square feet in 1985. Two bedrooms and three bedrooms gained popularity. A vital factor in securing new development sites in the 90's were proximity to major employers, shopping, schools and accessibility to major highways and public transportation. Meanwhile, back at the leasing office, many days were spent "outreach marketing", visiting local business owners and major employers. In the mid to late 90's, bundled services gained popularity, cable was privatized and managers began to really push ancillary income. The 90's was the decade of the REIT (Real Estate Investment Trust) and their activity was the prime focus in real estate journals. By the late 90's REITS passed Pension Funds as the largest single institutional owner of real estate."

As the 90's came to a close so did the bare midriff trend. The 21st century ushered in a conservative president and, in turn, a more conservative style of dress. This, for those of us who lived through a decade of stomach showing style was a relief. Among fashion fads of the 90's, we were happy to see this trend go out of style, but do not blink! As we learned from bell bottoms, some trends keep coming back no matter what the fashion magazines.

<u>The Years 2000-2010</u>

"In just the past dozen years, the personal computer has transformed offices; videocassette recorders and compact discs have revolutionized home entertainment. The next dozen years will bring the world to the year 2000. What further wonders will be commonplace when the next century begins?" (*July 18, 1988 FORTUNE Magazine*)

Technology, Technology And Technology! In the year 2000, 44% of the U.S. was on the internet and by 2007, this number increased to 70%. In 2009, 30% of all Internet users were between 18 and 32 years of age - Generation Y. The biggest increase in internet use since 2005 can be seen in the 70 to 75 year old age group. This was confirmed in a survey taken from 2006-2008 by Pew Research Center's Internet & American Life Project. The results showed that a larger percentages of older generations are online now than in the past and are doing more activities online.

What else changed? The USB flash drive replaced the floppy disk. Wireless internet became prominent by the end of the decade as well as internet access in devices such as mobile phones. Email became a standard form of interpersonal written communication. The world of video games reached the next Generation in the form of consoles like the Wii, the PlayStation 3 and Xbox 360 by the mid 2000's. The decade saw the steady decline of books, magazines and newspapers as the main conveyors of information and advertisements. News blogs grew in readership and popularity. Books became available online. Electronic devices such as Amazon Kindle threatened the popularity of printed books. Social Media gained popularity and strength, and by the end of 2009, there were 350,000,000 active users on Facebook. Social media reached beyond schools and groups to a way of marketing major business and product. The 2000's also experienced some of the worst and most destructive natural disasters in history, including Hurricane Katrina and the 2004 Indian Ocean Earthquake and Tsunami.

This was a time of great ups and great downs. Despite boasts during the boom years of the late 1990's, the U.S. economy slumped into a recession that lasted from March 2001 until November 2001. Economic growth came to a standstill largely due to the end of a long investment boom especially in the information technology sector. This recession ended a ten year period of expansion in the national economy, the longest expansion in U.S. history according to the National Bureau of Economic Research (NBER).

The War on Terrorism and War in Afghanistan began after the September 11 attacks in 2001. Suddenly, the U.S. economy became the cause of a worldwide downturn. It was not until 2002 that a sluggish recovery began. In 2003, the United States invaded and occupied Iraq, a war which ended the rule of Saddam Hussein. Following the war in Iraq, consumer spending rebounded as did stock prices. The housing market remained strong. Inflation was low. Additional tax cuts were passed. There was an easing of oil prices. Productivity growth was strong.

The global financial crisis came to the forefront of the business world and world media in September 2008 with the failure and merging of a number of American financial companies. Fast forward to 2010, and the gloom and disappointment still largely dominate the economic headlines with the words, "high unemployment" and "home foreclosures".

The office fashion in the 2000's can be described as a "mash-up". For the most part, the decade did not have one particular style but rather a recycling of styles from past decades. In the late 1990's and 2000's, the "jeans are okay" creative culture and easy going dress codes spread as the dot com boom and then social media transcended the American office. In the leasing office, career apparel became a well known industry term and a way for companies to brand themselves. This also eliminated the need for managers to police the different fashion styles that were popping up every couple of years.

How has the apartment industry changed? That is a loaded question as there are very few areas if any that have not been touched by technology. From the way a community is designed and marketed, to the leasing process, to the resident service and retention process, it has all changed. There is no need to list them all. If you are reading this letter, then you already know and by tomorrow, something new will replace what you did yesterday.

Savvy is the best word that can describe the renter of 2010. What are they looking for in their apartment that is different from the renter of the 90's? The same and more! According to industry research, today's renter still wants the traditional amenities that have made apartment life convenient for decades. They also want to bring their large dog and live in an apartment that is ecofriendly and compatible with modern technology. Yes, they will need more wall space for that large flat screen television and a solution for hiding those wires and cables.

As time marches forward, it is becoming increasingly difficult to remember what life was like before the Internet and all of this technology we utilize each day. In fact, for some of today's youth, the Internet in its current form has always existed. So let us take a moment to reminisce about what life was like before the Internet before we all forget.

- **Before the internet…**we conducted research at libraries
- **Before instant messaging…**we spoke friends over the telephone that had a cord and played board games with family
- **Before blogging…**letters handwritten in secret codes were exchanged at school and emotions were scribbled into a diary
- **Before search engines…**we pressed our ears against the speaker and repeated our favorite song over and over so we could write down the lyrics
- **Before myspace.com and facebook.com…**kids would hang out at Video Arcades, Malls, Roller Rinks, and pizza places

The Year 2010-beyond

If you fall into the Baby Boomer or Xer category, you better hold on to your seat! Things are about to change pretty significantly and quickly for all of us and there is nothing we can do but welcome it with open arms! We are talking about the GenYs (a.k.a Millennials) - the largest age group to ever enter the workplace. Currently, they make of 36% of the workforce, compared to 38% Baby Boomers. According to current studies, within 5 years, they will reach 45% and in 10 yrs 50%. They will be working at your company, running your company and living in your apartments. Understanding their wants, needs, desires and what makes them "click" will be critical to success. The culture of most companies has been the culture of the Baby Boomers for the last 30 years. That is all about to change because by 2020, the Boomer generation is expected to represent 20% of the workforce and GenYs will be 50%!

What will the next generation of resident want? How will they make decisions? How will this impact our industry? We asked industry experts to look into the "crystal ball" and tell us what they see in the future of apartment management. Certainly, nobody knows what it will look like but we thought it would be fun to see what they all had to say!

We spoke with **Mike Mueller**, CEO of **VaultWare**, and one of the Internet's early innovators and founders of the first apartment Internet Listing Service. We asked him to look into his crystal ball and interview the resident of the future. This is what they might have to say…

Mr. /Ms. Future Resident

"There will be a fundamental shift in how I am going to find an apartment and interact with your leasing staff. I do not want to talk to anyone. I have been conditioned by other business entities to transact solely online. I would never even consider calling a person to book an online reservation, and I expect the same functionality in your website as other industries. If you cannot provide this, I will move on.
You will need to create an entire new experience in order to get me to come visit you, easily accessible and including video tours. I want this to be fully functioning in a way that I want to do it, not the way you think it should work. I am not fond of creating a lot of user names and passwords and I do not like to complete forms just to find out if I am prequalified - frankly, I do not trust you!
I like self service, and I do not want you involved in the transaction until I am ready. I want choices! Oh, before I forget, please do not ask me to call for pricing; I will not call. Again, I will talk on my own terms when I am ready, and you need to be available. I may call you, I may text you or I may email you - I will choose.

Finally, why is your office only open from 9:00 to 5:00 Monday through Friday? This is when I am at work. What if I have a question about your community? Is there someone available after hours for me to connect with? Someone that really understands your community?

P.S. Please stop asking me to be your friend on Facebook. You are a building not a person! I might be a fan but not a friend.

What else?

- The future may be Self Selecting Social Networks. Apartment communities may start their own private social networks which will only be open to those that live there. If a resident wants to locate a babysitter, they can post it out on the social network and locate someone a few doors down. People will belong to multiple private social networks versus only one all inclusive social network.

- The future resident may bypass the ILS and go directly to their Facebook page to see where their friends currently live. They will use their social network to figure out where they want to live. Apartment websites of the future will give up the fluff, reduce clicks and include a lot of video. In fact, YouTube might be the ideal place to get your leases. Imagine creating a resident contest where they make a video on their iPhone about what they like best about their apartment and community and post it to YouTube. User generated content may be the best because your residents are the best sales people and they are believable. **Mike Mueller**, CEO, **VaultWare**

- All client research, communication and paperwork will be conducted online and most likely by using a mobile device. The first time a client sees a community in person will be on their move in day. Tours will be conducted on an iPad. The Leasing Professional position will become more of a Concierge Service. When hiring a new Leasing Professional, marketing and customer service backgrounds will become more important than industry experience. **Laura Khouri**, President, **Western National Property Management.**

- Development will be looking at smaller spaces/unit size and urban developments with access to public transportation. Clients will want managers to provide a lot of "green" opportunities. Expanding and leveraging social media will be key. **Colleen Nolan**, Director of Training, **The Bainbridge Companies**

- The client's time is a big factor, and it is limited. As a result, they want information now and they want to get it on their own. You have to be where they are searching. Resident Portals will provide them the opportunity to set up their own information and allow them to see what they want to see. A push towards urban multi-use properties; they will want to be where the action is. Ramping up services that are geared to saving time such as door to door dry cleaning pick-up and valet trash service. Handwritten guest cards will be a thing of the past as well as leasing binders. Leasing Professionals will use tablets such as the iPad and online videos posted on YouTube. **Tammy Georgantes**, Director of Training, **Sequoia Equities**

- The future resident will be even more tech savvy and rely more on the Internet in their search for an apartment home. We will possibly reduce the amount of print advertisements and focus more on reaching prospective resident through the Internet and interactive websites (with real time pricing) along with social media. People will move back into the cities and will want more high-end amenities and desire a strong sense of community. New developments will need to include plenty of "green" elements including electric hook-up for cars, energy efficient appliances and multiple recycling locations through the community. **Kate Grasso**, Vice President-Sales Services, **Carmel Partners**

- It is about engaging the customer! Online leasing videos will move from a "sales" video to a "lifestyle" video that is more about the community and not so much about a particular apartment. It will be about the experience. YouTube videos will become more prevalent as a tool used to entice a client to lease at a community. They will want to answer the question, "How will I feel when I am living there?" Paying rent online will become commonplace. Bar codes will make it easier to access the rent payment process and instantly link to an apartment's Facebook page. Use of an iPad for in-person leasing and completing the entire process before returning to the office in the future. There will be more urban living in high growth and high employment areas. **Jennifer Antos**, Vice President of Learning and Development, **Gables Residential Services**

Tomorrow's techno savvy customers will be armed with purchasing firepower unavailable to any previous generation - instant, comprehensive information from the Internet, immense choice and real-time price comparison. Moreover, social media will continue to constantly inform and influence their behavior. This era of "new experts" will be permanent. In fact, it will become an even more potent force because the generations of customers that follow will have more effective, more agile technology and they will be more adept at using it for their benefit - not yours. Will you be ready for them?

We thank you for your participation in the quarterly survey. We appreciate the feedback that you provide to make this report informative and a reliable resource to 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. Additional support and information can be found in "Resources" offered on our website, www.epmsonline.com.

Sincerely,

Joanna Ellis

Joanna Ellis, CAPS
President
jellis@epmsonline.com

Note: **EPMS Scoring Method: Average Scoring Calculation + Standard Deviation Component**
The EPMS Quarterly Shopping Report Comparison (Benchmark) employs not only the historically utilized average scoring calculation method for rankings but also a secondary Standard Deviation component. Standard deviation is easily explained as the measure of how much the data in a certain collection (i.e. individual Benchmark scores from each considered shop) are scattered around the average (your calculated benchmark percentage score for the quarter). The more tightly clustered the individual scores are, the lower the standard deviation. A higher standard deviation means that the scores are more widely scattered. For the purpose of the Benchmark report, the lower the standard deviation, the better. What this means for you is that your ranking in the Benchmark is still primarily determined as it always has been, by your Benchmark average score based on the answers to the 10 key questions on full shops conducted for that time period. In other words, if your overall Benchmark percentage outscores all other participants for the quarter, you will still earn the top spot! However, for cases where ranking companies share an average Benchmark score rounded to an identical full percentage point, we have implemented the Standard Deviation calculation as a second step in the process. For participants with the same average score, the one with the lowest Standard Deviation will place higher in the rankings.

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PARTNERS IN MYSTERY SHOPPING

SHOPPING REPORT PERFORMANCE COMPARISON©
MULTIFAMILY INDUSTRY BENCHMARK
FOURTH QUARTER, 2010

	TELEPHONE PRESENTATION		*ON-SITE PRESENTATION*										
	Q1 Set Appt	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	CLIENT OVERALL AVERAGE	STD DEV %	STD DEV
QUESTION OVERALL AVERAGE	**94.99%**	**84.97%**	**94.68%**	**92.91%**	**94.32%**	**95.30%**	**94.50%**	**96.76%**	**75.59%**	**90.29%**	**91.43%**		**14.82**
The Bainbridge Companies	100.00%	97.78%	100.00%	100.00%	97.78%	100.00%	100.00%	100.00%	93.33%	97.78%	**98.67%**	**99%**	**4.05**
Carmel Partners	98.85%	91.95%	100.00%	98.85%	100.00%	100.00%	98.85%	97.70%	93.10%	95.40%	**97.47%**	**97%**	**5.75**
Gables Residential Services	98.84%	95.94%	98.55%	98.26%	99.13%	98.55%	99.42%	99.42%	89.28%	97.39%	**97.48%**	**97%**	**5.98**
Sequoia Equities	97.59%	92.77%	97.59%	97.59%	98.80%	98.80%	97.59%	98.80%	91.57%	97.59%	**96.87%**	**97%**	**6.79**
Western National Property Management	99.04%	95.19%	100.00%	93.27%	99.04%	99.04%	98.08%	99.04%	96.15%	93.27%	**97.21%**	**97%**	**7.43**
CLIENT 6	97.14%	98.57%	95.71%	94.29%	98.57%	94.29%	98.57%	95.71%	97.14%	95.71%	**96.57%**	**97%**	**11.15**
CLIENT 7	99.29%	88.57%	97.14%	95.71%	100.00%	95.71%	97.14%	99.29%	88.57%	98.57%	**96.00%**	**96%**	**7.76**
CLIENT 8	100.00%	87.27%	96.36%	92.73%	100.00%	96.36%	96.36%	98.18%	92.73%	94.55%	**95.45%**	**95%**	**8.35**
CLIENT 9	94.00%	94.00%	96.00%	98.00%	100.00%	98.00%	98.00%	100.00%	80.00%	92.00%	**95.00%**	**95%**	**8.63**
CLIENT 10	98.36%	91.80%	98.36%	96.72%	100.00%	98.36%	96.72%	96.72%	78.69%	95.08%	**95.08%**	**95%**	**8.68**
CLIENT 11	100.00%	89.19%	94.59%	97.30%	100.00%	94.59%	97.30%	100.00%	89.19%	91.89%	**95.41%**	**95%**	**9.31**
CLIENT 12	98.72%	89.10%	98.08%	98.08%	94.23%	98.08%	95.51%	98.08%	87.18%	95.51%	**95.26%**	**95%**	**12.05**
CLIENT 13	100.00%	91.40%	97.85%	98.92%	98.92%	93.55%	95.70%	97.85%	72.04%	95.70%	**94.19%**	**94%**	**8.25**
CLIENT 14	98.33%	88.33%	95.00%	96.67%	100.00%	93.33%	96.67%	96.67%	80.00%	90.00%	**93.50%**	**94%**	**10.05**
CLIENT 15	95.63%	91.67%	95.63%	92.46%	98.41%	98.41%	95.63%	94.84%	80.56%	93.25%	**93.65%**	**94%**	**11.51**
CLIENT 16	98.89%	100.00%	91.11%	94.44%	96.67%	97.78%	93.33%	96.67%	81.11%	88.89%	**93.89%**	**94%**	**14.04**
CLIENT 17	98.28%	81.90%	98.28%	94.83%	96.55%	97.41%	99.14%	96.55%	75.00%	95.69%	**93.36%**	**93%**	**12.15**
CLIENT 18	94.50%	87.16%	94.50%	97.25%	93.58%	96.33%	97.25%	97.25%	82.57%	93.58%	**93.39%**	**93%**	**13.42**

Participating Companies

- Alliance Residential Company
- Amli Residential
- BH Management Services, Inc.
- Bozzuto & Associates
- BRE Properties
- Capreit
- Capstone Real Estate
- Carmel Partners
- Colonial Properties Trust
- CTL Management, Inc.
- CWS Apartment Homes
- E & S Ring Corporation
- Fairfield Residential
- Gables Residential
- Greystar Management Services
- IMT Residential
- JLC Southeast
- JMG Realty, Inc.
- Kettler Management
- Laramar Group
- Legacy Partners Residential, Inc.
- Milestone Management
- Mission Residential, LLC
- Pinnacle (PRMC)
- Post Properties
- RAM Partners, LLC
- SARES•REGIS Group
- Sequoia Equities
- Simpson Property Group
- The Bainbridge Companies
- UDR
- Venterra Realty
- Waterton Residential
- Weidner Apartment Homes
- Western National Property Management

* Representing 3,885 shopping reports

Benchmark 1st Place Company

The Bainbridge Companies

Colleen Nolan

Director of Training

"We are so proud of the entire Bainbridge Team for their commitment to excellence. Through their continued hard work and focus on customer service each and every day, they have once again proven to be the premiere team in the industry."

Ellis Property Management Services, Inc.
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Irving, Texas 75038

Joanna Ellis, CAPS
President
972-256-3767

PARTNERS IN MYSTERY SHOPPING

SHOPPING REPORT PERFORMANCE COMPARISON©
MULTIFAMILY INDUSTRY BENCHMARK
FOURTH QUARTER, 2010

	TELEPHONE PRESENTATION		*ON-SITE PRESENTATION*										
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10			
	Set Appt	Telephone Number	First Impression	Identify Specific Needs	Discuss/ Show Property	Apt. Condition	Feature/ Benefit Sell	Overcome Objection	Ask for Deposit	Lease from Agent	CLIENT OVERALL AVERAGE	STD DEV %	STD DEV
QUESTION OVERALL AVERAGE	**94.99%**	**84.97%**	**94.68%**	**92.91%**	**94.32%**	**95.30%**	**94.50%**	**96.76%**	**75.59%**	**90.29%**	**91.43%**		**14.82**
CLIENT 19	93.86%	87.72%	94.74%	91.23%	92.11%	94.74%	96.49%	94.74%	85.09%	92.98%	**92.37%**	**92%**	**17.66**
CLIENT 20	96.43%	75.00%	94.05%	94.05%	92.86%	98.81%	100.00%	97.62%	72.62%	89.29%	**91.07%**	**91%**	**11.62**
CLIENT 21	94.09%	81.72%	97.85%	94.09%	94.09%	95.16%	91.40%	100.00%	74.19%	91.94%	**91.45%**	**91%**	**13.30**
CLIENT 22	97.59%	85.54%	91.57%	97.59%	90.36%	93.98%	96.39%	95.18%	74.70%	90.36%	**91.33%**	**91%**	**14.55**
CLIENT 23	97.06%	82.35%	92.65%	94.12%	89.71%	91.18%	98.53%	98.53%	72.06%	88.24%	**90.44%**	**90%**	**12.86**
CLIENT 24	97.62%	71.43%	95.24%	97.62%	90.48%	97.62%	95.24%	95.24%	73.81%	90.48%	**90.48%**	**90%**	**13.43**
CLIENT 25	95.71%	95.71%	94.29%	88.57%	95.71%	91.43%	85.71%	92.86%	72.86%	82.86%	**89.57%**	**90%**	**20.39**
CLIENT 26	94.52%	84.93%	93.15%	91.78%	90.41%	94.52%	94.52%	95.89%	63.01%	90.41%	**89.32%**	**89%**	**13.78**
CLIENT 27	94.55%	76.36%	92.73%	85.45%	94.55%	94.55%	96.36%	98.18%	67.27%	85.45%	**88.55%**	**89%**	**15.33**
CLIENT 28	91.25%	76.43%	92.93%	91.25%	92.59%	95.62%	93.60%	96.30%	66.33%	87.21%	**88.35%**	**88%**	**16.30**
CLIENT 29	90.20%	64.71%	90.20%	96.08%	94.12%	98.04%	94.12%	98.04%	49.02%	88.24%	**86.27%**	**86%**	**16.00**
CLIENT 30	94.39%	69.16%	90.65%	89.72%	93.46%	93.46%	88.79%	96.26%	62.62%	83.18%	**86.17%**	**86%**	**16.63**
CLIENT 31	95.00%	68.33%	91.67%	93.33%	91.67%	93.33%	83.33%	93.33%	58.33%	81.67%	**85.00%**	**85%**	**19.27**
CLIENT 32	88.85%	78.34%	92.99%	82.17%	88.85%	88.85%	91.40%	93.31%	60.51%	83.76%	**84.90%**	**85%**	**19.60**
CLIENT 33	91.11%	80.00%	87.78%	89.44%	87.78%	90.56%	87.22%	93.33%	55.00%	76.67%	**83.89%**	**84%**	**18.14**
CLIENT 34	90.63%	71.88%	84.38%	84.38%	78.13%	93.75%	87.50%	93.75%	62.50%	78.13%	**82.50%**	**83%**	**22.29**
CLIENT 35	79.31%	68.10%	86.21%	82.76%	79.31%	88.79%	82.76%	97.41%	50.86%	78.45%	**79.40%**	**79%**	**23.27**

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