Purchasing properties in good neighborhoods and executing cost effective capital improvement programs have been hallmarks of PRG’s success since its founding some twenty years ago. But if one were to draw a diagram of our accomplishments we would not place our keen ability to spot good opportunities at the center of the picture. Properties in of themselves do not make money. Neither do savvy financiers, layers of high tech equipment, or fancy downtown offices. It has been PRG’s ability to recruit smart and talented people to run our assets that has provided our investors the outsized returns for which we are known.

Many multifamily investment companies say, “Only in the top 20 cities in the United States can we make any money; so sell everything else”. Others hire nine dollar an hour leasing teams who typically are disinterested, rude and unresponsive. Companies can only get by with these philosophies for so long. The “fake it ‘till you make it” strategy doesn’t work in these challenging economic times. PRG knows we can make money for our investors in any market because we hire educated, savvy professionals with great ambition and an internal drive to succeed.

We create a competitive environment for our employees knowing that only through healthy competition will the true measure of success be found.

Take Danielle Porche, the property manager at River Oak Apartments in Louisville, KY. Putting this University of Kentucky graduate in charge of property operations has done nothing but cause our accounting department to ratchet up our investors’ quarterly distribution checks. The property’s $1,250,000 annualized net operating income is currently ahead of its 2011 operating budget by 7%. Largely attributable to Danielle, year to date NOI is up 11.5%.

Success is much more than the marketplace. In Durham, NC, University of North Carolina at Chapel Hill graduate Nayeli Lozada has increased Park Ridge Apartment’s net operating income by 40% since taking the reins. Built in the mid 1980’s Park Ridge is more occupied and has higher occupancy than most of its newer competition. In fact, since 2010 the rents of Park Ridge have increased by an impressive 3%. Nayeli’s success doesn’t just pay off for our investors; it pays off for her too! Nayeli has recently been promoted to Senior Property Manager and is now extending her talents to multiple properties in the area.

Soaring net operating incomes, outsized rent increases and large investor distributions are the result of PRG hiring the best and the brightest. Sure, spotting good opportunities and renovating properties is a big part of it, but without employees like Danielle and Nayeli, our success would be much more limited. Our competition should beware…we have 40 other managers just like them!
mixed economic data continues to dominate the national news. On the one hand we see many corporations making record profits and on the other we see continued high levels of unemployment. So which way will it turn out? If we, in fact, could predict the correct outcome we would most certainly be in a different line of work. However, soothsaying is not the correct strategy for any company during a time of uncertainty, especially not here at PRG Real Estate. Rather, it is sticking to the core principles that made us successful in the first place that will lead to optimal outcomes. PRG has redoubled our efforts to manage our business in accordance with these core principles, with aggressive hands-on oversight being the centerpiece of our philosophy. This extra focus has resulted in rising occupancies leading to increased revenues across the portfolio. When coupled with higher collections percentages it comes as no surprise that our year-to-date same store net operating income is up 5.4% on an annualized basis!

It has always been our goal to outperform the “other guy” when it comes to managing our properties. Recent data from MPF, one of the leading apartment research groups, is proving that PRG is indeed producing results better than our peers. The study involved comparing same-store rental growth from the recent low point, the second quarter of 2009, to data from the end of the first quarter of 2011. From the trough to today, the national average for same-store rental growth was 3.5%. During the same period, PRG’s rents have grown by 3.8%. The extra three-tenths of a percent translates into nearly $4,000,000 of additional portfolio value! Further, aggressive rent collection efforts are enhancing the positive effects of rising rents as PRG’s delinquencies have fallen to their lowest levels since the second quarter of 2009. It matters not whether the economy takes a tortoise or hare approach on its way to recovery, we will continue to employ the same hands-on efforts to maximize potential benefit from an improving economic climate.

Riding the Digital Wave

PRG is delving into the ocean of online marketing! Several new initiatives have been launched over the past few months, aiming to bring PRG Real Estate to the forefront of the digital age and positioning the company as a leader in online marketing for the multifamily industry. These new initiatives include use of social media and various online marketing tools.

To build a stronger online presence, Facebook business pages have been created for each community. These pages will allow residents and prospects to “like” and become a fan of the page. Containing property photos and community updates, these informative pages will help build a deeper relationship with residents and prospects online.

In partnering with LeaseLabs, our properties are able to utilize an apartment marketing program called EZPublish that offers professional-looking marketing materials in mere minutes and allows the properties to communicate with residents easier. With a click of the mouse, pre-designed marketing pieces can be customized with images and are easily printed. Since every property’s logo, photos and information are already loaded in the program, LeaseLabs frees up a tremendous amount of time for our onsite professionals, which was previously spent on the design and creation of marketing materials.

Making life even easier for our on-site professionals, PRG brought on Vaultware, a complete apartment marketing solution that allows updates to be made to all internet listing services (ILS) in one central location. Gone are the days of spending hours updating each ILS separately. Better yet, Vaultware has a Craigslist posting tool which simplifies posting ads on Craigslist, making it more streamlined with professional pizazz.

We are excited to see the progression of our online presence in the digital age, working effectively to promote PRG’s communities and build better relationships with our residents.
PRG takes pride in being involved in the multifamily industry and also in giving back to the community. The Kentucky properties, led by Regional Director, Chari Satterfield, are great examples of what PRG strives to represent. With her CAM and CAPS designations, Chari is currently involved in the National Apartment Association (NAA) as a Lyceum graduate and is an NAA Faculty Member certified to teach all courses. As the former 2009 President of the Greater Nashville Apartment Association (GNAA), Chari now serves on the Board of Directors, is the Maintenance Mania Chair, Governance Committee Chair and a Finance Committee member. Whew she is one busy lady!

Shayne Martin, Senior Property Manager at Chinoe Creek, has been actively involved in the Greater Lexington Apartment Association (GLAA) for over 15 years, serving as past President and a current Board Member. She has also been at the national level and attended the NAA Education Conference 8 times. Alex Becker, Property Manager at Tates Creek Village, recently became involved in the GLAA, attending events such as Day at Keeneland, Maintenance Mania and the Annual Golf Scramble.

Showing their philanthropic side, the Kentucky properties have participated in and volunteered at multiple GLAA events such as the “Viva Las Vegas” Annual Golf Scramble where Chari and Alex played in the tournament, while Sarah Arnett, Property Manager at Saddlebrook, and Shayne sponsored a tent that offered refreshments to the players at each hole. Tates Creek Village was involved with GLAA’s Beautification Contest, has organized a resident food drive for Louisville’s local Dare-To-Care organization and will organize another local food drive for the upcoming holiday season. River Oak opened its doors to a group of 20 young women who are learning life skills through Home of the Innocents, a non-profit agency in Lexington, KY that assists youth in crisis.

PRG is proud of everything the Kentucky properties do to promote two of the company’s core values: transforming community and developing relationships. Their caring and helpful nature make PRG not only a great place to live but also a great place to work.
April
Sarah Arnett achieved Saddlebrook’s lowest delinquency of the year, great job getting the property to 0.06%! Also well under the PRG standard of 3%, Alex finished at 0.19% and Kelsey significantly reduced her delinquency to 0.3%.
1. Saddlebrook 0.06% Sarah Arnett
2. Tates Creek 0.19% Alex Becker
3. Sawgrass 0.30% Kelsey Cantrell

May
For the 2nd month in a row, Sarah finished in the top place with almost all Saddlebrook rent collected! Also deserving recognition for a great effort – Brandy at Cascades and Tammy and Erika at Huntington!
1. Saddlebrook 0.05% Sarah Arnett
2. Cascades 0.06% Brandy Schultheis
3. Huntington 0.45% Tammy and Erika

June
Nice job Brandy; Cascades finished the month of June with $0 outstanding rent! Laura has made substantial improvements at Woodcreek, finishing at 0.23% this month. And Shayne is close behind at Chinoe with only 0.32% delinquency.
1. Cascades 0.00% Brandy Schultheis
2. Woodcreek 0.23% Laura Grubbs
3. Chinoe Creek 0.32% Shayne Martin

Titanium Tool Belt
April
The winners of the April Titanium Tool Belt are Ramon Saucedo, Ed Winzek, and Michael Jennings! These maintenance supervisors had the fewest open work orders at the end of the month.
1. Magnolia Ramon Saucedo
2. Governors Ridge Ed Winzek
3. Honeytree Michael Jennings

May
In May, Magnolia, San Pablo, and Tiffany Square all had 0 work orders outstanding for more than 5 days and the fewest total open work orders. Thanks for your hard work Ramon, Brandon and Shariff!
1. Magnolia Ramon Saucedo
2. San Pablo Brandon Cebalt
3. Tiffany Square Shariff Hawkins

June
This month, the Titanium Tool Belt award goes to Ramon Saucedo, Jonathon Milton and Walter Chavis. Great work!
1. Magnolia Ramon Saucedo
2. Tates Creek Jon Milton
3. Lake Johnson Walter Chavis

Show Me the Money
Park Ridge, the 308-unit property in Durham, NC, is the winner of the 2nd quarter Show Me the Money Award! Under the direction of Property Manager, Nayeli Lozada, the property beat its quarterly budget by an impressive $88,873. They achieved these impressive results by increasing occupancy, maintaining an average above 95% all quarter, and maintaining tight expense controls. Great job!
1. Nayeli Lozada Park Ridge $88,873

Linkhorn Bay, the 864-unit property in Virginia Beach, is also well ahead of budget this quarter. Effective rents increased almost 1% in the second quarter and occupancy increased 1.5% quarter over quarter. Revenue growth combined with excellent expense control enabled the property to exceed budget by more than $35,000.

The 202-unit Hampton Chase in Nashville rounds out the top three, beating quarterly budget by more than $35,000. Occupancy increased 1% in the second quarter with effective rents remaining strong. Hampton Chase is positioned for a great remainder of the year!
1. Nayeli Lozada Park Ridge $88,873
2. Hollie Robinson Linkhorn Bay $38,181

Top Gun Collections
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2. Woodcreek 0.23% Laura Grubbs
3. Chinoe Creek 0.32% Shayne Martin

Razzle Dazzle Leasing
April
Giselle Santiago at Cary Pines had 14 approved applications this month, the most applications in the portfolio as compared to the property’s total units! Also doing a great job in April, Ian with 7 applications and Anna with 16!
1. Giselle Santiago Cary Pines 14
2. Ian Stevens Honeytree 7
3. Anna Wyatt Bavaria 16

May
Matt McClintock had an impressive 20 approved application between The Villas and The Palms! In 2nd place, Tina obtained 11 approved applications at the 98-unit Magnolia. And rounding out the top 3 is Katie Moore with 22 approved applications.
1. Matt McClintock Villas/Palms 20
2. Tina Blanton Magnolia 11
3. Katie Moore Woodcreek 22

June
Matt McClintock takes the prize for the 2nd month in a row, again with 20 approved applications. Great job improving occupancy at The Villas and The Palms!
1. Matt McClintock Villas/Palms 20
2. Giselle Santiago Cary Pines 18
3. Raquel Rivera The Palms 17
Donnie Cook is the Maintenance Supervisor at River Oak, the 268-unit property in Louisville, KY. Donnie was nominated this quarter for his instrumental role in transforming the River Oak office and clubhouse. Property Manager Danielle Porche had nothing but the best to say in recommending Donnie for the award, commenting “In addition to Donnie’s everyday hard work and good character, he played a significant role in the recent upgrade of the River Oak clubhouse. Donnie’s input and advice was crucial in the planning of this project. Not only did Donnie have a hand in the design by helping me articulate and realize what it was I wanted done, he took it upon himself to make much of the construction happen... Donnie has been a wonderful asset to River Oak and a huge reason for our success. This month he has really gone above and beyond the call of duty with these renovations.”

Michael Griffin and Patrick Allen, maintenance team at The Corners, the 176-unit property in Spartanburg, SC are joint winners of the Excellence Award. Michael and Patrick show outstanding teamwork at The Corners and throughout the entire South Carolina region. They’ve taken on tasks at several properties, saving PRG thousands of dollars. Their first project was repainting Corners’ pool deck, which now looks spectacular and saved Corners approximately $2,000. Next they completed the repainting and repair of the pool deck at Magnolia at a cost savings of approximately $1,500. Then on to Palmetto Place where they installed drywall in an entire apartment, gutted down to the studs, saving approximately $4,000. In the same unit, they spent several late evenings installing cabinets, countertops, lighting, and interior finishes to make a move-in deadline, saving us $2,500. They completed all these projects in addition to their full time positions at The Corners and Magnolia. Congratulations, Michael and Patrick!

Phillip Platt has been named the PRG Raving Fan for the 2nd Quarter of 2011. Phillip is a Maintenance Turn Prep at the 864-unit Linkhorn Bay Apartments, in Virginia Beach, VA. Phillip has been with PRG since 2008. Already a great asset to the community, he was nominated this quarter as a result of a letter received by a Linkhorn Bay resident. Phillip was instrumental in assisting this particular resident whose kitchen had flooded. Instead of writing a letter of complaint, the resident wrote Linkhorn Bay to commend Phillip, saying, “[T]he reason I’m writing you this email isn’t to complain, but to tell you how great my maintenance worker has been. He’s come out multiple times at different times of the day and night to help with the problem. Every time he comes to my apartment he is very apologetic and willing to help in any way. He’s gone beyond my expectations, when normally I would think he would be upset for the late night calls and extensive work needed to fix the issue. I just wanted to let you know how much I appreciate his help.”
On Wednesday July 20th, the PRG Corporate office set sail on the Spirit of Philadelphia for an Employee Appreciation Day event. The Spirit, which recently underwent extensive renovations, took the team on a lunch cruise down the Delaware River. Good food, entertainment, dancing and conversation were had by all!

Jim Offer joins PRG’s Information Technology Department as an Information Technology Analyst. Jim has completed IT Network Support classes at Camden County College and graduated from Rutgers University where he obtained a Bachelor of Arts degree with a double major in English & German. He was most recently employed with TD Bank as an IT Service Desk Analyst assisting their IT Department with day to day issues. He has well over 5+ years of IT experience and looks forward to taking on larger challenges at PRG.

A big welcome to Heather Hayes who joins the PRG team in Philadelphia as Office Manager. Heather received her Bachelor’s degree in Political Science from West Chester University. She was most recently employed at a Crothall Services Group where she managed the corporate office; specializing in budget administration, vendor contract coordination, employee rela-

Welcome Heather!

Welcome Jim!

Steven Berger, Principal
Jon Goodman, Principal
Sam Foster, Chief Investment Officer