

The Cornerstone

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Training Goes into High Gear

In the second quarter, the PRG training program kicked into high gear. It did so on two fronts. We have recognized for quite some time that we needed to strengthen our Rent Roll training program. However, it was only through the efforts of Melissa Good from Lancaster Green and Bobbie Volpe from the home office that this goal was realized.

On May 17th, Melissa and Bobbie boarded a Shuttle America flight bound for Virginia Beach. Operation Rent Roll was underway! After a night's rest and dinner at Rockefeller's, our first group training session was held on May 18th at Emerald Point. Attendees included all managers, assistant managers and managers to be from Virginia. And since the session concluded, we have had nothing but great

reviews from the trainers as well as the trainees!

The second front on which the training war is being waged is that of marketing. Beginning in April, group training sessions began approximately every other week at the Emerald Point clubhouse. Sessions have focused upon all aspects of inside sales, from telephone technique to overcoming objections. Other subjects have included the preparation of the monthly marketing plan.

If a company is to be successful in its commitment to promotion from within, it can only do so through the establishment of a strong training program. And here at PRG, we are very committed to that goal.

Occupancy Tops 97%!

Did you ever think that you would hear that there were no unrented vacant apartments in PRG owned properties in Virginia Beach? Well, it happened for the first time in quite awhile and possibly ever on May 17th when Emerald Point rented out their last vacant apartment. Watergate and Chanticleer had already achieved this lofty status.

However, as remarkable as this was, it was certainly nothing out of the ordinary for the rest of the country. By the third week in May, the company achieved a 97% occupancy rate on a day's vacant basis. Melissa Good and Lancaster Green were leading the company with a 99.72% occupancy rate. Sue Brennan and Kerry Hammond from Tree Top in Raleigh were in second place at 99.51%. Third place at that time went to Shelbie Cheracles and her team from Chanticleer

at 98.68% occupied. Clarissa Prosser from Cascades was next at 98.63%.

Many properties were running several percentage points above where they stood a year ago. Watergate was at 96% in May, while last year they were only 90% occupied. Chanticleer was a full 10 percentage points above their 88% occupancy last year at this time. Tree Top's occupancy was 99% in '99, and 95% in '98. Flagler Point was at 96% in '99 and only 92% last year. Finally, Country Club was at 96% in this May, and only at 86% a year ago.

This year's high occupancy reflects an outstanding job by everyone involved. Whoever thought we could hang out the "no vacancy" sign in Virginia Beach?!?

Your Commitment to Teamwork has been an Inspiration . . . A Few Words From Bob Dominy



Permit me for a moment to reflect way back to those good old days of the eighties, and to return to my roots in Boston Massachusetts. I must do so to make a point relative to one of my favorite subjects, and that is the value of TEAMWORK!

The eighties were the days in which the Boston Celtics were winning NBA championships, three to be exact. The ingredient at the core of those championships was teamwork. I always thought that one of the greatest compliments paid to Larry Bird, their star at the time, was that he always made everyone around him play above their natural ability. I always thought that one of the greatest statements about the team itself was that "the whole exceeded the sum of the parts." In other words, because those 12 players sacrificed individual goals, and placed others within the organization above themselves, they were able to achieve far more together than they could individually. Those would all be good values for each of us to keep in mind.

Recently we have had some outstanding examples of TEAMWORK here at PRG. First and foremost, I want to mention Sue Brennan from Tree Top. In May, Watergate was facing 43 make-readies in one week. Sue happily volunteered to

send two of her four maintenance people to Virginia Beach for a week to help out. This was at a tremendous sacrifice herself. I also at the same time want to recognize the individuals who agreed to go with virtually no notice. Dale Beal and Javier Aguayo were advised that they were needed late on a Monday afternoon. By Tuesday morning, they were on their way!

We've had some other outstanding examples of TEAMWORK within the management and marketing ranks as well. Tracy Peck had just relocated to Pittsburgh to become manager of Governor's Ridge. However, we unexpectedly had a critical opening arise in Richmond, and he was on his way with one day's notice. In a similar fashion, Jen Burns from Emerald Point was quick to answer the call when she was advised that her considerable marketing skills were needed at Hyde Park.

Dedication to the team. Sacrificing one's self for the benefit of the whole. Putting others ahead of yourself. That is a pretty good recipe for winning championships. It's also not a bad way to achieve corporate excellence. It is almost inevitably going to come full cycle to position you for promotion if you're not careful. We've had some excellent examples of all these characteristics recently. I applaud you for this, and implore you to keep it up!



Spotlight on Spectacular Performances in the Field

How many times have you heard the disclaimer that "past performance is not indicative of future returns?" In the case of Julie

Dzierzawski, Senior Property Manager of our Pittsburgh region, exactly the opposite is true. For it appears that over the course of her career, wherever Julie Dzierzawski goes, profits go up and vacancies go away.

Julie is a native mid-westerner, who grew up in the town of Little Victoria, Kansas, where she lived for 20 years. For her first position in sales, she relocated to Wichita and began work for Ester Lauder. Within two years, she relocated to El Paso, Texas, and began her career in property management working for Trammell Crow. Julie initially worked in leasing, but in obvious recognition of her capabilities was promoted within 5 months to manager of a 500 unit property.

In recognition of Julie's substantial skills in marketing, Trammell Crow began assigning her to lease-up situations. Her next move was to Albuquerque, New Mexico, and she later moved on to Santa Fe, New Mexico. During this period, she was twice manager of the year out of 35 properties. Her property in Santa Fe won the award for property of the year.

Julie's next promotion was to Trammell Crow's corporate office,

where she became regional manager over a 1500 unit portfolio.

Julie finally settled in Pittsburgh four years ago when she got married and joined her husband, Joe. After working briefly for Lincoln Management Co., she joined GDC where she managed an 1100 unit property. Her results there were nothing short of sensational. Under her direction, the property had an increase to NOI of 36%! And in September of '98, we are pleased that she made the decision to join PRG.

Julie states that what she enjoys most about her position is having the opportunity to demonstrate how under managed properties have been under prior management, and showing how well they can perform if managed skillfully. She attributes her success to enhanced physical appearance, superior marketing, and reducing expenses.

With regards to her future goals, she is intent upon putting our new fee management binder to good use! Julie is most interested in building the Pittsburgh portfolio through the acquisition of management contracts. She feels that she has many attractive prospects, given the number of Pittsburgh properties managed by what she refers to as the "Mom and Pops". Judging by the track record that she has compiled thus far, we feel that it is safe to assume that past performance is indeed indicative of future returns!



Show me the Money!

First Quarter, 1999

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|----------------------|---------------|-----------|
| 1. Chris Leonardo | Emerald Point | \$101,086 |
| 2. Shelbie Cheracles | Chanticleer | \$67,394 |
| 3. Chris Leonardo | Watergate | \$58,566 |

Two winners were declared for the first quarter of 1999. Chris Leonardo, manager of Watergate also directed Emerald Point for six weeks. In doing so, he was responsible for the first and third greatest favorable variances for the quarter. Shelbie Cheracles from Chanticleer was also declared a winner, since she had the highest favorable variance at a property directed continuously throughout the quarter. These variances reflect a tremendous accomplishment by both managers.

Superstar Award Winners

February

Sue Brennan, Tree Top Apartments

All Sue did was to achieve 98.06% occupancy rate, \$0.00 delinquency rate, and she topped this off by finding a hot acquisition prospect for us!

Chris Leonardo, Watergate Apartments

Chris effectively ran Watergate as well as Emerald Point, and had high favorable variances at each. He also negotiated trash contracts that produced savings of \$27K at Emerald and \$14K at Watergate.

March

Connie Simms, Emerald Point

Connie was the runaway winner. She single handedly reduced Emerald Point's delinquency rate to just \$2.28! This was just a matter of a few months after it had been over \$20 per unit!

April

Rob Hinojos, Watergate Apartments

Rob provided leadership to the most productive maintenance staff in the company. His staff completed 117 make-readies and over 700 service requests in the month.

Denise Golfo, Watergate Apartments

Denise set a new record in the month of April with a delinquency rate of only \$4.26 per unit. This was an outstanding accomplishment at a property with 864 units!

Top Gun Collections Winners

February

Imagine a month when 0.10 is only good enough for third place!

Sue Brennan	Tree Top	\$0.00
Joyce Kolk	Flagler Pointe	0.09
Cheryl Parsons	Hyde Park	0.10

March

A new company record of just \$3.65 per unit was established!

Michelle Riley	Lancaster Green	0.00
Julie Dzierzawski	Governor's Ridge	0.00
Beth McLaughlin	Alcoma	0.72

April

The company delinquency was only \$4.84, second best ever!

Clarissa Prosser	Cascades	0.49
Michelle Riley	Lancaster Green	0.88
Julie Dzierzawski	Governor's Ridge	1.30

Top Gun Leasing Winners

February

1. Angi Hassell	Watergate	21
2. Jen Burns	Emerald	19
3. Leigh Massey	Watergate	18

March

1. Leigh Massey	Watergate	32
2. Jen Burns	Emerald	29
3. Ron Bradney	Watergate	26

April

Over 500 Unit Award Winner

Angi Hassell	Watergate	36
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Under 500 Unit Award Winner

Tracy Peck	Chanticleer	14
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A Few Moments with the People of PRG!

Janie L. Shippen



Having arrived on May 5th, 1997, she has been an employee longer than PRG Real Estate Management, Inc. has been a company. As you will recall, this organization was created on June 1st, 1997. Therefore, it was obvious that Janie Shippen, Accounts Payroll Supervisor would be an excellent person to speak with regarding the history of the company, and what her role has been in its evolution.

Janie is a native Philadelphian, and has always lived within the state of Pennsylvania. Following high school, she attended the Community College of Philadelphia, where she majored in Computer Science.

Her first position following college was at the ABC Company. She joined the organization as an Accounts Payable supervisor, and worked there for eight years. Janie joined the organization when it was just a start-up business, and only owned 21 stores. By the time she left the company, it owned 103 stores. She gained extremely valuable experience working with a new organization that prepared her for her position with PRG later.

She describes her initial interview as one held in a building that was virtually vacant, with boxes everywhere. Although she obviously did well in the interview, she says that she left thinking “they have a lot

of work to do!” However, she was relieved by the second interview when she found all of the desks in place, and an organization beginning to take shape.

Janie also laughs as she describes the early days after the transition from Great Atlantic to managing our own properties. Initially PRG did not even know who their employees were, none of the paperwork for payroll matched, and no one was sure which vendors needed to be paid. While she exclaims that “it was crazy,” she also admits that she loves a challenge.

In the two years since those early days, she has seen and contributed to many positive changes. The accounting department in Philadelphia has gone from individuals to a group that is closely knit as a team. The efficiency of field operations has increased. The level of paperwork has been reduced. In addition, the advancements in technology have been substantial.

Those early, hectic days following the transition are hard to imagine as one watches Janie quietly and methodically perform her work now. Her present responsibilities require that she pay management company bills directly, and oversee accounts payable for all communities indirectly. By all appearances, she has the system working like clockwork.

Regarding PRG’s future, Janie looks forward to the future growth of the company, similar growth for the department, and continued gains in efficiency achieved through technology as well as through personnel.

PRG versus the REITs

For the second consecutive quarter, your performance simply dusted those bloated REIT bureaucracies. PRG had a 14.2% “same store” growth in the fourth quarter of ‘98, and then followed that with 20.3% “same store” growth in the first quarter ‘99. We feel sorry for those poor, slow, lumbering REITs. With a little less red tape, maybe they too could speed their way through marketing decisions the way we do!

