

# The Birch Quarterly

B I R C H M A N A G E M E N T , I N C .

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## Welcome!

We are pleased to welcome the newest member of the Birch team this month. Ana Perdue joined us as leasing agent after serving in the same capacity for multi-family magnate Bell Partners, Inc. As a lifelong resident of the Triad, we are very lucky and pleased to have Ana on our team. Jennifer Weaver has moved into the position of Resident Services Manager, which we congratulate her on.

## Web News

On the heels of last quarter's news about our website being ranked number one in many search engines, we are making many enhancements to our web presence.

Our commercial division

now has it's own stand alone website, [www.birchcomm.com](http://www.birchcomm.com), and should be fully functioning very shortly. Take a look and let us know what you think.

Social networking has become an accepted and very functional business tool. Therefore, we have commissioned a Facebook page and Twitter account. The links to follow us will be on our website very soon and we are certain that the additional exposure will generate more tenant leads and thus higher occupancy for our clients. Give us a Tweet on Twitter and be our friend on Facebook!

Lastly, we will be performing a thorough update on our website this fall, let us know what you would like to see more, or less, of. Your input is always

## Standardization

The following is a great synopsis, as presented by Blake Ratcliff in a recent industry publication, to the core fundamentals of property management. Birch Management is dedicated to developing and implementing fundamentally sound principals to represent our clients.

Standardization was the lesson of the industrial age. Standardization can be the lesson of the 21st century for property owners, investors, and managers. There is a great deal of value in the concept, but applying standardization is

more difficult.

While a property is not an airline, the idea of achieving terrific results through standardization is demonstrated by Southwest Airlines. Southwest Airlines only uses a single airframe reducing maintenance times, saving cost inventory, and speeding service turn around. Southwest only operates from smaller airports for hubs and as a result enjoys extremely short periods on the ground between flights. Southwest Airlines has devised a loading and unloading program that results in a very short period from the beginning of boarding to takeoff. As a result, Southwest Airlines is able to get an additional flight from every aircraft in its fleet every single day. This results in a greater than 10% cost advantage over the competition.

If you are acquiring existing properties, building new properties, managing properties, a focus on standardization over time will reduce labor costs, equipment costs, and material costs.

The key to this concept is to apply standardization to all elements of the business. Standardize office formats. Standardize equipment for the maintenance staff. Use standardized inventory for materials. Select buildings that have consistent construction, materials, and support needs. Standardize customer management and services.

Once the pattern is estab-

lished you can create a positively reinforcing set of activities that will allow less staff, will result in longer life materials, will create simpler processes, and so forth.

Next take the process a step further by applying standardization to correct nagging maintenance and operations issues. For example, install longer life carpets in your units and gain a permanent operating cost reduction. Begin placing linoleum on high traffic points to reduce wear and tear on the carpet. Set up standard operating procedures and make them available to the staff. Create scenarios that routinely walks the staff through the procedures to reduce their activity supporting the property.

As can be seen from the Southwest Airlines example, standardization with smart innovations and good decisions about operating procedures can have a dramatic positive effect on costs. Also, as demonstrated by Southwest Airlines, those same procedures have resulted in tremendously high customer service ratings. Efficient, effective systems and services are a key to unlocking tremendous customer service levels and value. Property managers and investors can create extremely effective and efficient customer service. Doing so can result in very high customer satisfaction.



# BIRCH MANAGEMENT

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**Our mission is to offer personalized and professional service to both our clients and customers by building strong relationships, utilizing the latest technology, implementing effective marketing strategies, following consistent systems all with honesty and integrity throughout every facet of our business**

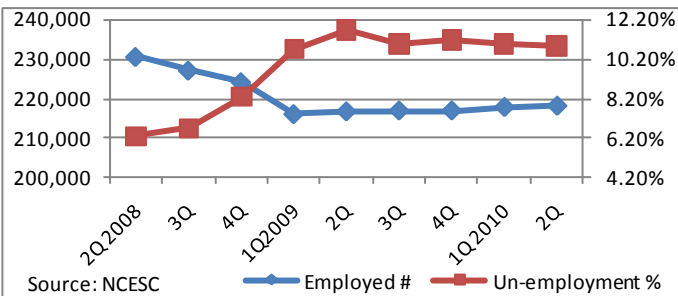
## SERVICE ANNOUNCEMENTS

- **Office Schedule:** Please note that our office will be closed on Monday September 6, 2010 in observance of Labor day. Additionally, our office will be on a limited staff basis from Friday October 15, 2010 until Thursday October 21, 2010. Three of our team members will be attending an educational conference to serve you better. Your patience will be appreciated during this time.
- **Client Web Access:** Those who have taken advantage of our client web access have found it to be a very helpful source of information. This is the fastest way to find out the answers to most financial questions, please contact us if you do not have your log-in ID and password. This is yet another valuable tool provided for our valued clients.

# TRIAD REAL ESTATE MARKET INDICATORS

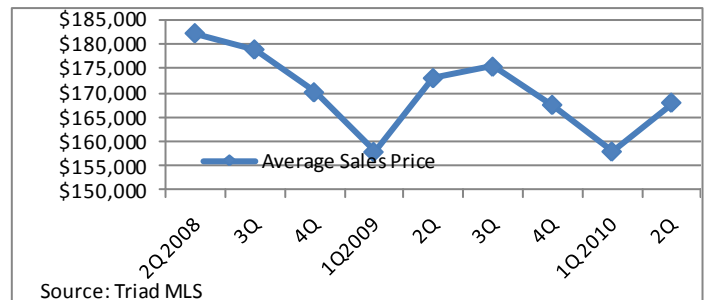
## ECONOMIC INDICATORS

### EMPLOYMENT STATISTICS

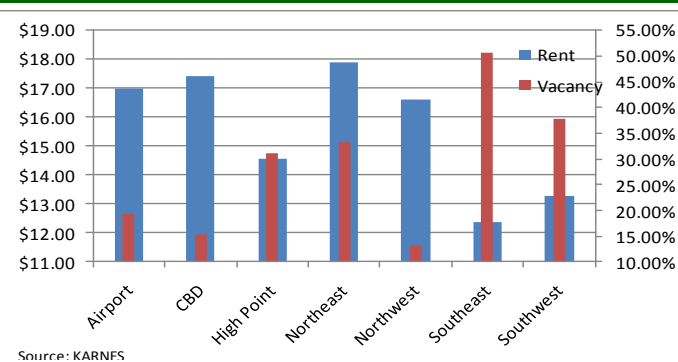


## RESIDENTIAL SALES

### AVERAGE SALES PRICE



## GUILFORD COUNTY OFFICE RENTS AND VACANCY BY AREA



## TRANSACTIONS / DOM

