



PRESS RELEASE

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REAL SERVICE BENCHMARK SHOWS LANDLORDS ARE SERIOUS ABOUT SERVICE

Leading UK landlords are paying much more attention to looking after their tenants in the run-up to the REIT-era, according to the REAL SERVICE Best Practice Index 2005.

The first comparative results from the REAL SERVICE Index, which assesses 25 areas of best practice in customer focused property management - from service strategy and leadership, to product flexibility and training - shows that the adoption of best practice has improved across all areas during the past year.

The REAL SERVICE Best Practice Index, an average of the scores achieved by the 20 member companies across the 25 areas, has increased from 56 out of 100 in 2004 to 66 in 2005. The REAL SERVICE initiative and index is supported by the British Property Federation (BPF).

The Index includes household names such as Land Securities, British Land, Brixton, Slough Estates, Prudential, Legal & General, Grosvenor and The Crown Estate, with combined property assets of over £60 billion.

A REAL SERVICE Managing Agents Group was launched in 2005. It has 13 leading property management firms as members and carried out its first round of benchmarking in 2005. It will publish its first set of comparative results this time next year.

Commenting on the results, that have been presented to members of the 20 strong confidential benchmarking group, Liz Peace, Chief Executive of the British Property Federation said:

“REAL SERVICE demonstrates that the leading landlords are taking customer service seriously. This is the first time that we have been able to measure how far the industry, as represented by these 20 owners, is progressing in the adoption of customer service best practice. The progress made over the last year is impressive, but there is still some way to go before we reach the standards of other service industries.”

The benchmarking programme, which is conducted by Kingsley Lipsey Morgan reveals:

- clear evidence that customer service is being led at the Chief Executive level and is increasingly seen as a way to secure competitive advantage;
- leading organisations are recognising that now is the time to “get fit” for the introduction of REITs, which encourage a heightened focus on cash flow and tenant retention;
- property owners are spending much more time finding out what occupiers want;
- more flexible property options and innovative services are being introduced to respond to occupier requirements identified through research.

Howard Morgan, Managing Director of Kingsley Lipsey Morgan, Real Estate Performance Consulting, the company that operates the benchmarking programme, said:

“The REAL SERVICE group is working to improve service to occupiers and better understand the link between service and performance. As independent verifiers, we have been impressed by the energy that REAL SERVICE members are putting into sharing best practice and implementing the REAL SERVICE best practice framework in their businesses. The ultimate benefit will be seen by occupiers as our members adopt a more flexible and responsive style of property management.”

Steve Aubrey, Property Director of Smiths Group plc, and member of ACRE (a group of senior property executives from major UK Public Companies across a broad band of business sectors) commented:

“As a customer of the property industry, I am encouraged to see that REAL SERVICE members are using benchmarking as a way to drive service standards forward. Benchmarking techniques are widely used in other industries, including the engineering sector where we operate, and have been proven to have a lasting impact on improving standards.”

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Notes for Editors:

1. Members of the REAL SERVICE Property Owners Group include BAA plc, Brixton plc, Bruntwood Estates, Cushman & Wakefield Investors, Dorrington Commercial, Evans Property Group, Grosvenor, Howard de Walden Estates Limited, ING Real Estate Investment Management, Land Securities, Legal & General Investment Management, Marchday Group plc, Prudential Property Investment Managers, Slough Estates International, Spacia, The British Land Company PLC, The Church Commissioners for England, The Crown Estate, The Portman Estate, Tilfen Land.
2. Membership of the Real Service is open to property owners, fund managers and managing agents. They do not have to be BPF members.
3. The REAL SERVICE Property Owners Group was founded in 2004. Its first round of benchmarking was carried out in 2004 and repeated in 2005.
4. The benchmarking programme is confidential and detailed results are available to Group members only. They receive their own scores in a form that allows them to see their position comparative to the other, unidentified, member companies.
5. Kingsley Lipsey Morgan manages the benchmarking process and coordinates the delivery of REAL SERVICE services to members.
6. The Group operates as a non-profit making company limited by guarantee.
7. Kingsley Lipsey Morgan is a specialist research, training and management consultancy for the property industry (founded in 1998) that works with property owners and managers to improve service delivery and property performance.