

SHADOW AUDIT

EQR

2024 SAME-STORE PORTFOLIO

AUDIT ID: SHADOW-002

DATE: 02/2026

CONFIDENTIAL

INSTITUTIONAL USE ONLY

METHODOLOGY

The Shadow Audit identifies underwriting bias by applying two standardized adjustments to reported Same Store results.

1. REVENUE MISS: 2% REDUCTION

Underwriters consistently overproject revenue growth.

2. EXPENSE GAP: 3% INCREASE

Underwriters consistently underproject expense growth.

These adjustments are applied to actual reported numbers from the SEC 10-K filing. The resulting Proforma NOI represents a normalized operating baseline.

The difference between Current NOI and Proforma NOI is the NOI Gap. Valuation impact is calculated using a 5.5% cap rate.

This methodology is applied consistently across all Shadow Audits to enable comparable analysis across portfolios and time periods.

SOURCE DATA

EQR 2024 10-K FILING

Filed: February 2025

Access:

https://www.sec.gov/ix?doc=/Archives/edgar/data/0000906107/000095017025019894/eqr-20241231.htm#item_7_managements_discussion_analysis_f

SAME-STORE TABLE (Page 33)

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
Net income	\$ 1,070,975	\$ 868,488	\$ 202,487	23.3 %
Adjustments:				
Property management	132,739	119,804	12,935	10.8 %
General and administrative	61,653	60,716	937	1.5 %
Depreciation	952,191	888,709	63,482	7.1 %
Net (gain) loss on sales of real estate properties	(546,797)	(282,539)	(264,258)	93.5 %
Interest and other income	(30,329)	(22,345)	(7,984)	35.7 %
Other expenses	74,051	29,419	44,632	151.7 %
Interest:				
Expense incurred, net	285,735	269,556	16,179	6.0 %
Amortization of deferred financing costs	7,834	8,941	(1,107)	(12.4) %
Income and other tax expense (benefit)	1,256	1,148	108	9.4 %
(Income) loss from investments in unconsolidated entities	8,974	5,378	3,596	66.9 %
Total NOI	\$ 2,018,282	\$ 1,947,275	\$ 71,007	3.6 %
Rental income:				
Same store	\$ 2,823,418	\$ 2,740,193	\$ 83,225	3.0 %
Non-same store/other	156,690	133,771	22,919	17.1 %
Total rental income	2,980,108	2,873,964	106,144	3.7 %
Operating expenses:				
Same store	894,477	869,635	24,842	2.9 %
Non-same store/other	67,349	57,054	10,295	18.0 %
Total operating expenses	961,826	926,689	35,137	3.8 %
NOI:				
Same store	1,928,941	1,870,558	58,383	3.1 %
Non-same store/other	89,341	76,717	12,624	16.5 %
Total NOI	\$ 2,018,282	\$ 1,947,275	\$ 71,007	3.6 %

Source verification: All numbers extracted directly from the above filing. No estimates or adjustments to source data.

ANALYSIS

CURRENT OPERATIONS

Revenue	\$2,823,418,000
Expenses	\$894,477,000
NOI	\$1,928,941,000

ADJUSTMENTS

Revenue Miss (2%)	-\$56,468,360
Expense Gap (3%)	+\$26,834,310
Total Adjustment	-\$29,634,050

PROFORMA OPERATIONS

Proforma Revenue	\$2,766,949,640
Proforma Expenses	\$ 921,311,310
Proforma NOI	\$1,845,638,330
NOI Gap	\$ 83,302,670
Decline	4.32%

VALUATION IMPACT (5.5% CAP)

Current Value	\$35,071,654,545
Proforma Value	\$33,557,060,545
Value Creation	-\$1,514,594,000

CALCULATION CHECK

Proforma Revenue = Revenue × 0.98
Proforma Expenses = Expenses × 1.03
Proforma NOI = Proforma Revenue – Proforma Expenses
NOI Gap = Current NOI – Proforma NOI

NorthQuest

This analysis is based on publicly available SEC filings. NorthQuest LLC applies a standardized methodology to identify underwriting bias. Results are estimates and should be verified through full due diligence prior to any acquisition decision.

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