

SHADOW AUDIT

BRT

2024 SAME-STORE PORTFOLIO

AUDIT ID: SHADOW-009

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

BRT 2024 10-K FILING

Filed: MARCH 2025

Access:

<https://www.sec.gov/Archives/edgar/data/14846/000001484625000005/brt-20241231.htm>

SAME-STORE TABLE (Page 35)

Same Store NOI 2024: \$50,084,000

Same Store NOI 2023: \$50,247,000

Same Store NOI decrease: \$163,000

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

ANALYSIS

CURRENT OPERATIONS

Revenue	\$94,773,000
Expenses	\$43,555,000
NOI	\$51,218,000
Same Store NOI	\$50,084,000

ADJUSTMENTS

Revenue Miss (2%)	-\$1,895,460
Expense Gap (3%)	+\$1,306,650
Total Adjustment	-\$3,202,110

PROFORMA OPERATIONS

Proforma Revenue	\$92,877,540
Proforma Expenses	\$44,861,650
Proforma NOI	\$48,015,890
NOI Gap	\$2,202,110
Decline	4.30%

VALUATION IMPACT (5.5% CAP)

Current Value	\$931,236,364
Proforma Value	\$873,016,182
Value Creation	-\$58,220,182

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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