

SHADOW AUDIT

BRT

2023 SAME-STORE PORTFOLIO

AUDIT ID: SHADOW-010

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 2023 10-K FILING

Filed: March 2024

Access:

<https://www.sec.gov/Archives/edgar/data/14846/000001484624000019/brt-20231231.htm>

SAME-STORE DATA (Page 34)

Same Store NOI 2023: \$25,693,000

Same Store NOI 2022: \$25,738,000

Same Store NOI decrease: \$45,000

"In 2023, ... Same store NOI remained flat in 2023 from 2022 due to a \$1.8 million increase in rental revenues ... offset by a \$1.8 million increase in real estate operating expenses."

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

ANALYSIS

CURRENT OPERATIONS

Revenue	\$46,628,000
Expenses	\$20,952,000
NOI	\$25,676,000

ADJUSTMENTS

Revenue Miss (2%)	-\$932,560
Expense Gap (3%)	+\$628,560
Total Adjustment	-\$1,561,120

PROFORMA OPERATIONS

Proforma Revenue	\$45,695,440
Proforma Expenses	\$21,580,560
Proforma NOI	\$24,114,880
NOI Gap	\$1,561,120
Decline	6.08%

VALUATION IMPACT (5.5% CAP)

Current Value	\$466,836,364
Proforma Value	\$438,452,364
Value Creation	-\$28,384,000

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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