

SHADOW AUDIT

CPT

2021 SAME-STORE PORTFOLIO

AUDIT ID: SHADOW-019

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

CPT 2021 10-K FILING

Filed: February 2022

Access:

<https://www.sec.gov/Archives/edgar/data/906345/000090634522000009/cpt-20211231.htm>

SAME-STORE TABLE (Page 24)

Same Store Revenue 2021: \$971,872,000

Same Store Expenses 2021: \$351,210,000

Same Store NOI 2021: \$620,662,000

Same Store Revenue 2020: \$931,894,000

Same Store Expenses 2020: \$339,399,000

Same Store NOI 2020: \$592,495,000

Number of Same Store Homes: 44,122

Note: 2020 figures exclude \$9.1M Resident Relief Funds and \$4.5M pandemic expenses for comparability.

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

ANALYSIS

CURRENT OPERATIONS

Revenue	\$971,872,000
Expenses	\$351,210,000
NOI	\$620,662,000

ADJUSTMENTS

Revenue Miss (2%)	-\$19,437,440
Expense Gap (3%)	+\$10,536,300
Total Adjustment	-\$29,973,740

PROFORMA OPERATIONS

Proforma Revenue	\$952,434,560
Proforma Expenses	\$361,746,300
Proforma NOI	\$590,688,260
NOI Gap	\$29,973,740
Decline	4.83%

VALUATION IMPACT (5.5% CAP)

Current Value	\$11,284,763,636
Proforma Value	\$10,739,786,545
Value Creation	-\$544,977,091

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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