

# **SHADOW AUDIT**

## **CPT**

### **2019 SAME-STORE PORTFOLIO**

AUDIT ID: SHADOW-021

DATE: 03/2026

**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 2019 10-K FILING

Filed: February 2020

Access:

<https://www.sec.gov/Archives/edgar/data/906345/000090634520000008/cpt1231201910k.htm>

SAME-STORE TABLE (Page 26)

Same Store Revenue 2019: \$856,066,000

Same Store Expenses 2019: \$303,647,000

Same Store NOI 2019: \$552,419,000

Same Store Revenue 2018: \$825,606,000

Same Store Expenses 2018: \$297,826,000

Same Store NOI 2018: \$527,780,000

Number of Same Store Homes: 41,986

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

**ANALYSIS**

CURRENT OPERATIONS

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Revenue	\$856,066,000
Expenses	\$303,647,000
NOI	\$552,419,000

ADJUSTMENTS

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Revenue Miss (2%)	-\$17,121,320
Expense Gap (3%)	+\$9,109,410
Total Adjustment	-\$26,230,730

PROFORMA OPERATIONS

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Proforma Revenue	\$838,944,680
Proforma Expenses	\$312,756,410
Proforma NOI	\$526,188,270
NOI Gap	\$26,230,730
Decline	4.75%

VALUATION IMPACT (5.5% CAP)

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Current Value	\$10,043,981,818
Proforma Value	\$9,567,059,455
Value Creation	-\$476,922,363

CALCULATION CHECK

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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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