UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2020

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number 001-07172

BRT APARTMENTS CORP.

(Exact name of Registrant as specified in its charter)

Maryland	**13-2755856**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
60 Cutter Mill Road, Great Neck, NY	**11021**
(Address of principal executive offices)	(Zip Code)

516-466-3100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BRT	NYSE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Date File required to be submitted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer" "accelerated filer", "smaller reporting company"and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☒
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of stock, as of the latest practicable date.

17,176,401 Shares of Common Stock,
par value $0.01 per share, outstanding on November 4, 2020

BRT APARTMENTS CORP. AND SUBSIDIARIES
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Explanatory Note

Unless otherwise indicated or the context otherwise requires, all references to (i) “us”, “we”, “BRT” or the “Company” refer to BRT Apartments Corp. and its consolidated and unconsolidated subsidiaries; (ii) all interest rates give effect to the related interest rate derivative, if any; (iii) "acquisitions" include investments in and by unconsolidated joint ventures; (iv) units under rehabilitation for which we have received or accrued rental income from business interruption insurance, while not physically occupied, are treated as leased (*i.e*., occupied) at rental rates in effect at the time of the casualty, and (v) "same store properties" refer to properties that we owned and operated for the entirety of both periods being compared, except for properties that are under construction, in lease-up, or are undergoing development or redevelopment. We move properties previously excluded from our same store portfolio (because they were under construction, in lease up or are in development or redevelopment) into the same store designation once they have stabilized (as described below) and such status has been reflected fully in all quarters during the applicable periods of comparison. Newly constructed, lease-up, development and redevelopment properties are deemed stabilized upon attainment of at least 90% physical occupancy.

See "Explanatory Note", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations - Recent Developments - Non Reliance on Previously Reported Information" and Notes 2 and 16 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2019 (the "Annual Report") for information regarding the restatement (the "Restatement") of prior period financial statements and a material weakness in internal control over financial reporting.

Part I - FINANCIAL INFORMATION
Item 1. Financial Statements

BRT APARTMENTS CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except per share data)

	September 30, 2020 (unaudited)	December 31, 2019 (audited)
ASSETS		
Real estate properties, net of accumulated depreciation and amortization of $29,237 and $24,094	$ 161,594	$ 169,689
Investments in unconsolidated joint ventures	175,484	177,071
Real estate loan	—	4,150
Cash and cash equivalents	15,650	22,699
Restricted cash	9,129	9,719
Other assets	12,390	7,282
Total Assets	$ 374,247	$ 390,610
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net of deferred costs of $628 and $823	$ 131,148	$ 133,215
Junior subordinated notes, net of deferred costs of $322 and $337	37,078	37,063
Accounts payable and accrued liabilities	21,678	20,772
Total Liabilities	189,904	191,050
Commitments and contingencies		
Equity:		
BRT Apartments Corp. stockholders' equity:		
Preferred shares $.01 par value 2,000 shares authorized, none outstanding	—	—
Common stock, $.01 par value, 300,000 shares authorized; 16,432 and 15,638 shares outstanding	164	156
Additional paid-in capital	245,144	232,331
Accumulated other comprehensive loss	(24)	(10)
Accumulated deficit	(60,853)	(32,824)
Total BRT Apartments Corp. stockholders’ equity	184,431	199,653
Non-controlling interests	(88)	(93)
Total Equity	184,343	199,560
Total Liabilities and Equity	$ 374,247	$ 390,610

See accompanying notes to consolidated financial statements.

BRT APARTMENTS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues:				
Rental revenue	$ 7,020	$ 6,261	$ 20,422	$ 20,244
Other income	293	161	631	595
Total revenues	7,313	6,422	21,053	20,839
Expenses:				
Real estate operating expenses - including $8 and $13 to related parties for the three months ended and $24 and $93 for the nine months ended	3,289	2,741	9,351	9,242
Interest expense	1,731	1,870	5,400	5,865
General and administrative - including $167 and $105 to related parties for the three months ended and $631 and $403 for the nine months ended	2,730	2,430	9,054	7,455
Impairment charge	3,642	—	3,642	—
Depreciation	1,777	1,373	5,147	4,348
Total expenses	13,169	8,414	32,594	26,910
Total revenues less total expenses	(5,856)	(1,992)	(11,541)	(6,071)
Equity in loss of unconsolidated joint ventures	(1,529)	(2,390)	(4,731)	(6,676)
Gain on sale of real estate	—	9,938	—	9,938
Loss on extinguishment of debt	—	(1,387)	—	(1,387)
(Loss) income from continuing operations	(7,385)	4,169	(16,272)	(4,196)
Income tax provision	65	98	192	219
Net (loss) income from continuing operations, net of taxes	(7,450)	4,071	(16,464)	(4,415)
Net income attributable to non-controlling interests	(34)	(799)	(97)	(877)
Net (loss) income attributable to common stockholders	$ (7,484)	$ 3,272	$ (16,561)	$ (5,292)
Weighted average number of shares of common stock outstanding:				
Basic	17,176,401	15,913,975	17,095,315	15,900,362
Diluted	17,176,401	16,113,975	17,095,315	15,900,362
Per share amounts attributable to common stockholders:				
Basic	$ (0.44)	$ 0.21	$ (0.97)	$ (0.33)
Diluted	$ (0.44)	$ 0.20	$ (0.97)	$ (0.33)

See accompanying notes to consolidated financial statements.

BRT APARTMENTS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net (loss) income	$ (7,450)	$ 4,071	$ (16,464)	$ (4,415)
Other comprehensive income (loss):				
Unrealized gain (loss) on derivative instruments	5	(3)	(17)	(27)
Other comprehensive income (loss)	5	(3)	(17)	(27)
Comprehensive (loss) income	(7,445)	4,068	(16,481)	(4,442)
Comprehensive income attributable to non-controlling interests	(36)	(799)	(95)	(873)
Comprehensive (loss) income attributable to common stockholders	$ (7,481)	$ 3,269	$ (16,576)	$ (5,315)

See accompanying notes to consolidated financial statements.

BRT APARTMENTS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(Dollars in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) income	Accumulated Deficit	Non-Controlling Interest	Total
Balances, December 31, 2019	$ 156	$ 232,331	$ (10)	$ (32,824)	$ (93)	$ 199,560
Distributions - common stock - $0.22 per share	—	—	—	(3,822)	—	(3,822)
Restricted stock vesting	1	(1)	—	—	—	—
Compensation expense - restricted stock and restricted stock units	—	438	—	—	—	438
Distributions to non-controlling interests	—	—	—	—	(89)	(89)
Shares issued through equity offering program, net	7	12,070				12,077
Shares repurchased	—	(616)				(616)
Net (loss) income	—	—	—	(4,831)	32	(4,799)
Other comprehensive loss	—	—	(20)	—	(3)	(23)
Comprehensive loss						(4,822)
Balances, March 31, 2020	$ 164	$ 244,222	$ (30)	$ (41,477)	$ (153)	$ 202,726
Distributions - common stock - $0.22 per share	—	—	—	(3,822)	—	(3,822)
Compensation expense - restricted stock and restricted stock units	—	461	—	—	—	461
Net (loss) income	—	—	—	(4,246)	31	(4,215)
Other comprehensive income (loss)	—	—	2	—	(1)	1
Comprehensive loss						(4,214)
Balances, June 30, 2020	$ 164	$ 244,683	$ (28)	$ (49,545)	$ (123)	$ 195,151
Distributions - common stock - $0.22 per share	—	—	—	(3,824)	—	(3,824)
Compensation expense - restricted stock and restricted stock units	—	461	—	—	—	461
Net (loss) income	—	—	—	(7,484)	34	(7,450)
Other comprehensive income	—	—	4	—	1	5
Comprehensive loss						(7,445)
Balances, September 30, 2020	$ 164	$ 245,144	$ (24)	$ (60,853)	$ (88)	$ 184,343

See accompanying notes to consolidated financial statements.

BRT APARTMENTS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(Dollars in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) income	Accumulated Deficit	Non-Controlling Interest	Total
Balances, December 31, 2018	$ 150	$ 223,373	$ 9	$ (20,044)	$ 331	$ 203,819
Distributions - common stock - $0.20 per share	—	—	—	(3,221)	—	(3,221)
Restricted stock vesting	2	(2)	—	—	—	—
Compensation expense - restricted stock and restricted stock units	—	365	—	—	—	365
Distributions to non-controlling interests	—	—	—	—	(46)	(46)
Net (loss) income	—	—	—	(4,247)	34	(4,213)
Other comprehensive loss	—	—	(7)	—	(2)	(9)
Comprehensive loss						(4,222)
Balances, March 31, 2019	$ 152	$ 223,736	$ 2	$ (27,512)	$ 317	$ 196,695
Distributions - common stock - $0.20 per share	—	—	—	(3,220)	—	(3,220)
Compensation expense - restricted stock and restricted stock units	—	373	—	—	—	373
Distributions to non-controlling interests	—	—	—	—	(39)	(39)
Shares repurchased	—	(46)	—	—	—	(46)
Net (loss) income	—	—	—	(4,317)	44	(4,273)
Other comprehensive loss	—	—	(13)	—	(2)	(15)
Comprehensive loss						(4,288)
Balances, June 30, 2019	$ 152	$ 224,063	$ (11)	$ (35,049)	$ 320	$ 189,475
Distributions - common stock - $0.20 per share	—	—	—	(3,554)	—	(3,554)
Compensation expense - restricted stock and restricted stock units	—	372	—	—	—	372
Distributions to non-controlling interests	—	—	—	—	(1,134)	(1,134)
Shares issued through equity offering program, net	—	774	—	—	—	774
Net income	—	—	—	3,272	799	4,071
Other comprehensive loss	—	—	(3)	—	—	(3)
Comprehensive income						4,068
Balances, September 30, 2019	$ 152	$ 225,209	$ (14)	$ (35,331)	$ (15)	$ 190,001

See accompanying notes to consolidated financial statements

BRT APARTMENTS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in Thousands)

	Nine Months Ended September 30,	
	2020	**2019**
Cash flows from operating activities:		
Net loss	$ (16,464)	$ (4,415)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation	5,147	4,348
Amortization of deferred financing costs	210	228
Amortization of restricted stock and restricted stock units	1,360	1,110
Equity in loss of unconsolidated joint ventures	4,731	6,676
Impairment charge	3,642	—
Gain on sale of real estate	—	(9,938)
Loss on extinguishment of debt	—	1,387
Increases and decreases from changes in other assets and liabilities:		
Decrease (increase) in other assets	(1,108)	(2,166)
Increase in accounts payable and accrued liabilities	757	5,834
Net cash (used in) provided by operating activities	(1,725)	3,064
Cash flows from investing activities:		
Collections from real estate loan	150	450
Improvements to real estate properties	(694)	(1,169)
Distributions from unconsolidated joint ventures	10,556	12,034
Proceeds from the sale of real estate owned	—	32,801
Contributions to unconsolidated joint ventures	(13,700)	(29,069)
Net cash (used in) provided by investing activities	(3,688)	15,047
Cash flows from financing activities:		
Mortgage payoffs	—	(20,635)
Mortgage principal payments	(2,262)	(2,189)
Proceeds from credit facility	5,000	13,500
Repayment of credit facility	(5,000)	(9,900)
Increase in deferred financing costs	—	(83)
Dividends paid	(11,336)	(9,871)
Distributions to non-controlling interests	(89)	(1,220)
Proceeds from the sale of common stock	12,077	774
Repurchase of shares of common stock	(616)	(46)
Net cash used in financing activities	(2,226)	(29,670)
Net decrease in cash, cash equivalents and restricted cash	(7,639)	(11,559)
Cash, cash equivalents and restricted cash at beginning of period	32,418	31,719
Cash, cash equivalents and restricted cash at end of period	$ 24,779	$ 20,160
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 5,261	$ 5,616
Cash paid for income taxes	$ 297	$ 44

See accompanying notes to consolidated financial statements

BRT APARTMENTS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in Thousands)

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	Nine Months Ended September 30,	
	2020	2019
Cash and cash equivalents	15,650	9,371
Restricted cash	9,129	10,789
Total cash, cash equivalents and restricted cash, shown in consolidated statement of cash flows	$ 24,779	$ 20,160

BRT APARTMENTS CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2020

Note 1 – Organization and Background

BRT Apartments Corp. (the "Company"), a Maryland corporation, owns and operates multi-family properties. The Company conducts its operations to qualify as a real estate investment trust, or REIT, for federal income tax purposes.

Generally, the multi-family properties are acquired with joint venture partners in transactions in which the Company contributes a significant portion of the equity. At September 30, 2020, the Company: (a) wholly owns eight multi-family properties located in six states with an aggregate of 1,880 units, and a carrying value of $154,987,000; and (b) has interests, through unconsolidated entities, in 31 multi-family properties located in nine states with an aggregate of 9,162 units (including 741 units at two properties currently in lease-up) and the carrying value of this net equity investment is $175,409,000. BRT's equity interests in these unconsolidated entities range from 32% to 90%. Most of the Company's properties are located in the Southeast United States and Texas.

The Company also owns and operates various other real estate assets. At September 30, 2020, the carrying value of the other real estate assets was $6,682,000.

Note 2 – Basis of Preparation

The accompanying interim unaudited consolidated financial statements as of September 30, 2020, and for the three and nine months ended September 30, 2020 and 2019, reflect all normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for such interim periods. The results of operations for the three and nine months ended September 30, 2020 and 2019, are not necessarily indicative of the results for the full year. The consolidated audited balance sheet as of December 31, 2019, has been derived from the audited financial statements at that date but does not include all the information and footnotes required by accounting principles generally accepted in the United States ("GAAP"). Accordingly, these unaudited statements should be read in conjunction with the Company's audited financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission ("SEC") on May 15, 2020, for complete financial statements.

The consolidated financial statements include the accounts and operations of the Company and its wholly owned subsidiaries.

The joint venture that owns a property in Yonkers New York, was determined not to be a variable interest entity ("VIE") but is consolidated because the Company has controlling rights in such entity.

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. All investments in unconsolidated joint ventures have sufficient equity at risk to permit the entity to finance its activities without additional subordinated financial support and, as a group, the holders of the equity at risk have power through voting rights to direct the activities of these ventures. As a result, none of these joint ventures are VIEs. Additionally, the Company does not exercise substantial operating control over these entities, and therefore the entities are not consolidated. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for their share of equity in earnings, cash contributions and distributions. The distributions to each joint venture partner are determined pursuant to the applicable operating agreement and may not be *pro-rata* to the percentage equity interest each partner has in the applicable venture.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results could differ from those estimates. Substantially all of the Company's assets are comprised of multi-family real estate assets generally leased to tenants on a one-year basis. Therefore, the Company aggregates real estate assets for reporting purposes and operates in one reportable segment.

Note 3 - Equity

Equity Distribution Agreements

In November 2019, the Company entered into equity distribution agreements with three sales agents to sell up to an aggregate of $30,000,000 of its common stock from time-to-time in an at-the-market offering. During the nine months ended September 30, 2020, the Company sold 694,298 shares for an aggregate sales price of $12,293,000 (all of which shares were sold during the three months ended March 31, 2020), before commissions and fees of $185,000 and offering related expenses of $31,000. From the commencement of this program through September 30, 2020, the Company sold 806,261 shares for an aggregate sales price of $14,316,000 before commissions and fees of $314,000 and offering related expenses of $56,000.

Common Stock Dividend Distribution

The Company declared a quarterly cash distribution of $0.22 per share, payable on October 12, 2020 to stockholders of record on September 25, 2020.

Stock Based Compensation

During the nine months ended September 30, 2020, the Company's board of directors adopted and the stockholders' approved the 2020 Incentive Plan. This plan permits the Company to grant: (i) stock options, restricted stock, restricted stock units, performance shares awards and any one or more of the foregoing, up to a maximum of 1,000,000 shares; and (ii) cash settled dividend equivalent rights in tandem with the grant of restricted stock units and certain performance based awards.

Restricted Stock Units

In June 2016, the Company issued restricted stock units (the "Units") to acquire up to 450,000 shares of common stock pursuant to the 2016 Amended and Restated Incentive Plan (the "2016 Incentive Plan"). The Units entitle the recipients, subject to continued service through the March 31, 2021 vesting date, to receive (i) the underlying shares if and to the extent certain performance and/or market conditions are satisfied at the vesting date, and (ii) an amount equal to the cash dividends paid from the grant date through the vesting date with respect to the shares of common stock underlying the Units if, when, and to the extent, the related Units vest. For financial statement purposes, because the Units are not participating securities, the shares underlying the Units are excluded in the outstanding shares reflected on the consolidated balance sheet and from the calculation of basic earnings per share. The shares underlying the Units are contingently issuable shares.

Expense is recognized over the five-year vesting period on the Units which the Company expects to vest. For the three months ended September 30, 2020 and 2019, the Company recorded $35,000 and $35,000, respectively, of compensation expense related to the amortization of unearned compensation with respect to the Units. For the nine months ended September 30, 2020 and 2019, the Company recorded $105,000 and $106,000, respectively, of compensation expense related to the amortization of unearned compensation with respect to the Units. At September 30, 2020 and December 31, 2019, $72,000 and $177,000 of compensation expense, respectively, had been deferred and will be charged to expense over the remaining vesting period.

Restricted Stock

In January 2020, the Company granted 158,299 shares of restricted stock pursuant to the 2018 Incentive Plan. As of September 30, 2020, an aggregate of 744,145 shares of unvested restricted stock are outstanding pursuant to the 2018 Incentive Plan, the 2016 Incentive Plan and the 2012 Incentive Plan (collectively, the "Prior Plans"). No additional awards may be granted under the Prior Plans. The shares of restricted stock vest five years from the date of grant and under specified circumstances, including a change in control, may vest earlier. For financial statement purposes, the restricted stock is not included in the outstanding shares shown on the consolidated balance sheets until they vest, but are included in the earnings per share computation.

For the three months ended September 30, 2020 and 2019, the Company recorded $426,000 and $337,000, respectively, and for the nine months ended September 30, 2020 and 2019, the Company recorded $1,255,000 and $1,004,000, respectively, of compensation expense related to the amortization of unearned compensation with respect to the restricted stock awards. At September 30, 2020 and December 31, 2019, $4,837,000 and $3,328,000 has been deferred as unearned compensation and will be charged to expense over the remaining vesting periods of these restricted stock awards. The weighted average remaining vesting period of these shares of restricted stock is 2.5 years.

Stock Buyback

On September 12, 2019, the Board of Directors approved a repurchase plan authorizing the Company, effective as of October 1, 2019, to repurchase up to $5,000,000 of shares of common stock through September 30, 2021. During the nine months ended September 30, 2020 , the Company repurchased 39,093 shares of common stock (all of which were repurchased during the three months ended March 31, 2020), at an average market price of $15.76 for an aggregate cost of $616,000. During the three and nine months ended September 30, 2019, the Company repurchased 3,590 shares of common stock at an average market price of $12.80 at an aggregate cost of $46,000.

Per Share Data

Basic earnings (loss) per share is determined by dividing net income (loss) applicable to common stockholders for the applicable period by the weighted average number of shares of common stock outstanding during such period. The Units are excluded from the basic earnings per share calculation, as they are not participating securities. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock or resulted in the issuance of shares of common stock that share in the earnings of the Company. Diluted earnings per share is determined by dividing net income applicable to common stockholders for the applicable period by the weighted average number of shares of common stock deemed to be outstanding during such period. In calculating diluted earnings per share for the three months ended September 30, 2020 and the nine months ended September 30, 2020 and 2019, the Company did not include any shares underlying the Units as their effect would have been anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share (dollars in thousands, except share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Numerator for basic and diluted earnings (loss) per share attributable to common stockholders:				
Net (loss) income attributable to common stockholders	$ (7,484)	$ 3,272	$ (16,561)	$ (5,292)
Denominator:				
Denominator for basic earnings per share—weighted average number of shares	17,176,401	15,913,975	17,095,315	15,900,362
Effect of diluted securities	—	200,000	—	—
Denominator for diluted earnings per share—adjusted weighted average number of shares and assumed conversions	17,176,401	16,113,975	17,095,315	15,900,362
Basic (loss) income per share	$ (0.44)	$ 0.21	$ (0.97)	$ (0.33)
Diluted (loss) income per share	$ (0.44)	$ 0.20	$ (0.97)	$ (0.33)

Note 4 - Leases

Lessor Accounting

The Company owns one commercial rental property which is leased to two tenants under operating leases with current expirations ranging from 2024 to 2028, with options to extend or terminate the leases. Revenues from such leases are reported as rental income, net, and are comprised of (i) lease components, which includes fixed lease payments and (ii) non-lease components which includes reimbursements of property level operating expenses. The Company does not separate non-lease components from the related lease components, as the timing and pattern of transfer are the same, and account for the combined component in accordance with ASC 842.

Due to the impact of the COVID-19 pandemic, concession agreements have been executed with the Company's two tenants. In accordance with the FASB Staff Q&A, Topic 842 and 840 - Accounting for Lease Concessions Related to the Effects of COVID-19 Pandemic, a lessor may make an accounting policy election to (i) not evaluate whether such COVID-19 pandemic related rent-relief is a lease modification under ASC 842 and (ii) treat each tenant rent deferral or forgiveness as if it were contemplated as part of the existing lease contract. The Company elected to apply this accounting policy to the two lease agreements, based on the type of concession provided to the tenant, where the revised cash flows are substantially the same or less than the original lease agreement. As a result, during the nine months ended September 30, 2020, the Company issued total abatements of $75,000 for the two tenants.

Lessee Accounting

The Company is a lessee under a ground lease in Yonkers, NY which is classified as an operating lease. The ground lease expires September 30, 2024 and provides for one 21-year renewal option. As of September 30, 2020, the remaining lease term, including the renewal option, is 25.0 years.

The Company is also a lessee under a corporate office lease in Great Neck, New York, which is classified as an operating lease. The lease expires on December 31, 2031 and provides a 5-year renewal option. As of September 30, 2020, the remaining lease term, including renewal options deemed exercised, is 16.3 years.

In the quarter ended March 31, 2019, the Company recorded $2,900,000 of right of use assets ("ROU") and lease liabilities related to these operating leases. As of September 30, 2020, the Company's ROU assets and lease liabilities were $2,701,000 and $2,720,000, respectively. As of December 31, 2019, the Company's ROU assets and lease liabilities were $2,822,000 and $2,833,000, respectively.

The discount rate applied to measure each ROU asset and lease liability is based on the Company's incremental borrowing rate ("IBR"). The Company considers the general economic environment and its historical borrowing rate activity and factors in various financing and asset specific adjustments to ensure the IBR is appropriate to the intended use of the underlying lease. As the Company did not elect to apply the hindsight practical expedient, lease term assumptions determined under ASC 840 were carried forward and applied in calculating the lease liabilities recorded under ASC 842. The Company's ground lease offers a renewal option which it assesses against relevant economic factors to determine whether it is reasonably certain of exercising or not exercising the option. Lease payments associated with renewal periods that the Company is reasonably certain will be exercised, if any, are included in the measurement of the corresponding lease liability and ROU asset.

Note 5 - Real Estate Properties

Real estate properties consist of the following (dollars in thousands):

	September 30, 2020	December 31, 2019
Land	$ 25,585	$ 29,227
Building	154,854	154,854
Building improvements	10,392	9,702
Real estate properties	190,831	193,783
Accumulated depreciation	(29,237)	(24,094)
Total real estate properties, net	$ 161,594	$ 169,689

A summary of real estate properties owned is as follows (dollars in thousands):

	December 31, 2019 Balance	Additions	Depreciation	Impairment Charge	September 30, 2020 Balance
Multi-family	$ 159,434	$ 617	$ (5,064)	$ —	$ 154,987
Land - Daytona, FL	8,021	—	—	(3,642)	4,379
Retail shopping center and other	2,234	77	(83)	—	2,228
Total real estate properties	$ 169,689	$ 694	$ (5,147)	$ (3,642)	$ 161,594

Note 6 - Acquisitions and Dispositions

Property Acquisitions

The table below provides information regarding the Company's acquisition of a multi-family property, through an unconsolidated joint venture, during the nine months ended September 30, 2020 (dollars in thousands):

Location	Purchase Date	No. of Units	Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Acquisition Costs
Wilmington, North Carolina	2/20/2020	264	$ 38,000	$ 23,160	$ 13,700	80 %	$ 459

The table below provides information regarding the Company's acquisition of multi-family properties, through unconsolidated joint ventures, during the nine months ended September 30, 2019 (dollars in thousands):

Location	Purchase Date	No. of Units	Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Acquisition Costs
Kannapolis, North Carolina	3/12/2019	312	$ 48,065	$ 33,347	$ 11,231	65 %	$ 559
Birmingham, Alabama	5/7/2019	328	43,000	32,250	11,625	80 %	546
Auburn, AL	8/8/2019	200	18,400	14,500	4,320	80 %	140
		840	$ 109,465	$ 80,097	$ 27,176		$ 1,245

Property Dispositions

The Company did not dispose of any real estate properties during the nine months ended September 30, 2020.

The following table is a summary of the real estate properties disposed of by the Company during the nine months ended September 30, 2019 (dollars in thousands):

Location	Sale Date	No. of Units	Sales Price	Gain on Sale	Non-controlling partner's portion of the gain
Houston, TX (two properties)	7/11/2019	384	$ 33,200	$ 9,938	$ 894

Impairment Charges

The Company reviews each real estate asset owned, including those held through investments in unconsolidated joint ventures, for impairment when there is an event or a change in circumstances indicating that the carrying amount may not be recoverable.

The Company measures and records impairment charges, and reduces the carrying value of owned properties, when indicators of impairment are present and the expected undiscounted cash flows related to those properties are less than their carrying amounts. For its unconsolidated joint venture investments, the Company measures and records impairment losses, and reduces the carrying value of the equity investment when indicators of impairment are present and the expected discounted cash flows related to the investment is less than the carrying value.

In cases where the Company does not expect to recover its carrying value on properties held for use, the Company reduces its carrying value to fair value, and for properties held for sale, the Company reduces its carrying value to the fair value less costs to sell.

In the quarter ended September 30, 2020, indicators of impairment were present on its 8.7 acre vacant land parcel located in South Daytona Beach, Florida. The Company has entered into a contract to sell this property below its carrying value and accordingly the Company took an impairment charge related to this asset of $3,642,000 representing the excess of the carrying value over the fair value. During the three and nine months ended September 30, 2019, no impairment charges were recorded.

Note 7 - Real Estate Loan

The Company had a loan receivable secured by several properties in Newark, NJ. At June 30, 2020 the principal balance of this loan was $4,000,000. This loan was sold on September 30, 2020, to an unrelated third party at its book value plus interest and fees of $325,000. Accordingly, no gain or loss was recognized on the sale. Funds were received on October 1, 2020 and the amounts receivable are included in other assets.

Note 8 - Restricted Cash

Restricted cash represents funds held for specific purposes and are therefore not available for general corporate purposes. The restricted cash reflected on the consolidated balance sheets represents funds that are held by the Company specifically for capital improvements at certain multi-family properties owned by unconsolidated joint ventures.

Note 9 – Investment in Unconsolidated Ventures

At September 30, 2020 and December 31, 2019, the Company held interests in unconsolidated joint ventures (the "Unconsolidated Properties") that own 31 and 30 multi-family properties, respectively. The condensed balance sheets below present information regarding such properties (dollars in thousands):

	September 30, 2020	December 31, 2019
ASSETS		
Real estate properties, net of accumulated depreciation of $135,126 and $104,001	$ 1,082,703	$ 1,070,941
Cash and cash equivalents	16,595	12,804
Deposits and escrows	26,368	23,912
Other assets	5,164	4,136
Total Assets	$ 1,130,830	$ 1,111,793
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net of deferred costs of $4,605 and $5,839	$ 825,822	$ 803,289
Accounts payable and accrued liabilities	23,602	19,731
Total Liabilities	849,424	823,020
Commitments and contingencies		
Equity:		
Total unconsolidated joint venture equity	281,406	288,773
Total Liabilities and Equity	$ 1,130,830	$ 1,111,793
BRT interest in joint venture equity	$ 175,484	$ 177,071

Real estate properties of our unconsolidated joint ventures consist of the following (dollars in thousands):

	September 30, 2020	December 31, 2019
Land	$ 148,341	$ 144,136
Building	1,028,205	993,643
Building improvements	41,283	37,163
Real estate properties	1,217,829	1,174,942
Accumulated depreciation	(135,126)	(104,001)
Total real estate properties, net	$ 1,082,703	$ 1,070,941

At September 30, 2020, the weighted average interest rate on the mortgages payable is 3.95% and the weighted average remaining term to maturity is 7.41 years.

The condensed income statement below presents information regarding the Unconsolidated Properties (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues:				
Rental and other revenue	$ 32,341	$ 31,273	$ 94,726	$ 87,076
Total revenues	32,341	31,273	94,726	87,076
Expenses:				
Real estate operating expenses	16,092	15,212	45,298	42,612
Interest expense	8,663	9,202	26,186	26,027
Depreciation	10,411	9,901	31,184	29,121
Total expenses	35,166	34,315	102,668	97,760
Total revenues less total expenses	(2,825)	(3,042)	(7,942)	(10,684)
Loss on extinguishment of debt	—	(379)	—	(379)
Gain on insurance recoveries	427	—	765	517
Net income from joint ventures	$ (2,398)	$ (3,421)	$ (7,177)	$ (10,546)
BRT equity in loss from joint ventures	$ (1,529)	$ (2,390)	$ (4,731)	$ (6,676)

Note 10 – Debt Obligations

Debt obligations consist of the following (dollars in thousands):

	September 30, 2020	December 31, 2019
Mortgages payable	$ 131,776	$ 134,038
Junior subordinated notes	37,400	37,400
Deferred financing costs	(950)	(1,160)
Total debt obligations, net of deferred costs	$ 168,226	$ 170,278

Mortgages Payable

The weighted average interest rate on the Company's mortgages payable at September 30, 2020 was 4.15%. For the three months ended September 30, 2020 and 2019 interest expense, which includes amortization of deferred financing costs, was $1,475,000 and $1,373,000, respectively. For the nine months ended September 30, 2020 and 2019 interest expense, which includes amortization of deferred financing costs, was $4,418,000 and $4,385,000, respectively.

Credit Facility

The Company entered into a credit facility dated April 18, 2019, as amended from time-to-time, with an affiliate of Valley National Bank. The facility allows the Company to borrow, subject to compliance with borrowing base requirements and other conditions, up to $10,000,000 to facilitate the acquisition of multi-family properties and for working capital (including dividend payments) and operating expenses. The facility is secured by the cash available in certain cash accounts maintained by the Company at Valley National Bank, matures April 2021 and bears an adjustable interest rate of 50 basis points over the prime rate, with a floor of 5%. The interest rate in effect as of September 30, 2020 is 5%. For the three months ended September 30, 2020 and 2019, interest expense, which includes amortization of deferred financing costs and unused fees, was $17,000 and $57,000. For the nine months ended September 30, 2020 and 2019, interest expense, which includes amortization of deferred financing costs and unused fees, was $79,000 and $153,000, respectively. Deferred financing costs of $22,000 and $53,000, are recorded in other assets on the Consolidated balance sheets at September 30, 2020 and December 31, 2019, respectively. There is an unused facility fee of 0.25% per annum on the difference between the outstanding loan balance and maximum amount then available under the facility. At September 30, 2020, the Company is in compliance in all material respects with its obligation under the facility.

At September 30, 2020 and November 1, 2020, there was no outstanding balance on the facility.

Junior Subordinated Notes

At September 30, 2020 and December 31, 2019, the Company's junior subordinated notes had an outstanding principal balance of $37,400,000, before deferred financing costs of $322,000 and $337,000, respectively. At September 30, 2020, the interest rate on the outstanding balance is three month LIBOR + 2.00% or 2.27%.

The junior subordinated notes require interest only payments through the maturity date of April 30, 2036, at which time repayment of the outstanding principal and unpaid interest become due. Interest expense for the three months ended September 30, 2020 and 2019, which includes amortization of deferred financing costs, was $240,000 and $438,000, respectively, and for the nine months ended September 30, 2020 and 2019, which includes amortization of deferred financing costs, was $903,000 and $1,326,000, respectively.

Note 11 – Related Party Transactions

The Company has retained certain of its executive officers and Fredric H. Gould, a director, among other things, to participate in the Company's multi-family property analysis and approval process (which includes service on an investment committee); provide investment advice; and provide long-term planning and consulting with executives and employees with respect to other business matters, as required. The aggregate fees incurred and paid for these services in the three months ended September 30, 2020 and 2019 were $350,000 and $332,000, respectively, and for the nine months ended September 30, 2020 and 2019 were $1,049,000 and $998,000, respectively.

Management of certain properties owned by the Company and certain joint venture properties is provided by Majestic Property Management Corp. ("Majestic Property"), a company wholly owned by Fredric H. Gould. Certain of the Company's officers and directors are also officers and directors of Majestic Property. Majestic Property may also provide real estate brokerage and construction supervision services to these properties. These fees amounted to $8,000 and $9,000 for the three months ended September 30, 2020 and 2019, respectively, and $24,000 and $25,000 for the nine months ended September 30, 2020 and 2019, respectively.

The Company shares facilities, personnel and other resources with One Liberty Properties, Inc. ("One Liberty"), Majestic Property, and Gould Investors L.P. ("Gould Investors"). Certain of the Company's executive officers and/or directors also serve in management positions, and have ownership interests, in One Liberty, Majestic Property and/or Georgetown Partners Inc., the managing general partner of Gould Investors. The allocation of expenses for the facilities, personnel and other resources shared by the Company, One Liberty, Majestic Property and Gould Investors is computed in accordance with a shared services agreement by and among the Company and these entities and is included in general and administrative expense on the consolidated statements of operations. For the three months ended September 30, 2020 and 2019, net allocated general and administrative expenses reimbursed by the Company to Gould Investors pursuant to the shared services agreement aggregated $167,000 and $105,000, and $631,000 and $403,000 for the nine months ended September 30, 2020 and 2019, respectively.

Management of two of the Company's multi-family properties, which were sold in July 2019, were performed by its joint venture partners or their affiliates, none of which are otherwise related to the Company. These management fees amounted to $4,000 and $68,000, in the three and nine months ended September 30, 2019, respectively.

Note 12 – Fair Value Measurements

Financial Instruments Not Carried at Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial instruments that are not recorded at fair value on the consolidated balance sheets:

Cash and cash equivalents, restricted cash, accounts receivable (included in other assets), accounts payable and accrued liabilities: The carrying amounts reported in the balance sheets for these instruments approximate their fair value due to the short term nature of these accounts.

Junior subordinated notes: At September 30, 2020 and December 31, 2019, the estimated fair value of the notes is lower than their carrying value by approximately $10,542,000 and $9,589,000, respectively, based on a market interest rate of 4.74% and 6.41%, respectively.

Mortgages payable: At September 30, 2020, the estimated fair value of the Company's mortgages payable is greater than their carrying value by approximately $5,258,000, assuming market interest rates between 2.69% and 3.04% and at December 31, 2019, the estimated fair value of the Company's mortgages payable was lower than their carrying value by approximately $321,000, assuming market interest rates between 3.89% and 4.33%. Market interest rates were determined using rates which the Company believes reflects institutional lender yield requirements at the balance sheet dates.

Considerable judgment is necessary to interpret market data and develop estimated fair value. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

Financial Instruments Carried at Fair Value

The Company's fair value measurements are based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, there is a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions. Level 1 assets/liabilities are valued based on quoted prices for identical instruments in active markets, Level 2 assets/liabilities are valued based on quoted prices in active markets for similar instruments, on quoted prices in less active or inactive markets, or on other "observable" market inputs, and Level 3 assets/liabilities are valued based significantly on "unobservable" market inputs. The Company does not currently own any financial instruments that are classified as Level 3.

Set forth below is information regarding the Company's financial assets and liabilities measured at fair value as of September 30, 2020 (dollars in thousands):

		Fair Value Measurements Using Fair Value Hierarchy		
	Carrying and Fair Value	Level 1	Level 2	Level 3
Financial Liabilities:				
Interest rate swap	$ 28	$ —	$ 28	$ —

Set forth below is information regarding the Company's financial assets and liabilities measured at fair value as of December 31, 2019 (dollars in thousands):

	Carrying and Fair Value	Fair Value Measurements Using Fair Value Hierarchy		
		Level 1	**Level 2**	**Level 3**
Financial Liabilities:				
Interest rate swap	$ 12	$ —	$ 12	$ —

Derivative financial instruments: Fair values are approximated using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, and implied volatilities. At September 30, 2020 and December 31, 2019, these derivatives are included in other liabilities on the consolidated balance sheet.

Although the Company has determined that the majority of the inputs used to value its derivative fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with it utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. As of September 30, 2020 and December 31, 2019, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative position and determined that the credit valuation adjustments are not significant to the overall valuation of its derivative. As a result, the Company determined that its derivative valuation is classified in Level 2 of the fair value hierarchy.

Long-lived assets

The Company measures its real estate investments at fair value on a nonrecurring basis. The fair value of the real estate investment was determined using the following input levels as of September 30, 2020 (dollars in thousands):

	Carrying and Fair Value	Fair Value Measurements Using Fair Value Hierarchy		
		Level 1	**Level 2**	**Level 3**
Non-Financial Assets:				
Long-lived assets	$ 4,379	$ —	$ —	$ 4,379

The Company reviews its investments in real estate when events or circumstances change indicating the carry value of the investment may not be recoverable. In the evaluation of an investment for impairment, many factors are considered, including estimated current and expected cash flows from the asset during the projected hold period, costs necessary to extend the life of the asset, expected capitalization rates, and projected stabilized net operating income and the ability to hold or dispose of the asset in the ordinary course of business.

Quantitative information about Level 3 measurements at September 30, 2020 is as follows:

	Fair Value	**Valuation Technique**	**Significant Unobservable Inputs**
Financial Liabilities: Long-lived asset:			
Vacant land - South Daytona Beach, FL	$ 4,379	Discounted cash flow	Non-binding sales contract /Discount rate 12.5%

Note 13 – Derivative Financial Instruments

Cash Flow Hedges of Interest Rate Risk

The Company's objective in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in Accumulated Other Comprehensive (Loss) income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings.

As of September 30, 2020, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (dollars in thousands):

Interest Rate Derivative	Current Notional Amount	Fixed Rate	Maturity
Interest rate swap	$ 1,070	5.25 %	April 1, 2022

The table below presents the fair value of the Company’s derivative financial instruments as well as its classification on the consolidated balance sheets as of the dates indicated (dollars in thousands):

Derivatives as of:			
September 30, 2020		December 31, 2019	
Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Other Assets	$ —	Other Assets	$ —
Accounts payable and accrued liabilities	$ 28	Accounts payable and accrued liabilities	$ 12

The following table presents the effect of the Company’s interest rate swaps on the consolidated statements of comprehensive income (loss) for the dates indicated (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Amount of (loss) gain recognized on derivative in Other Comprehensive Income	$ —	$ (3)	$ (27)	$ (25)
Amount of (loss) gain reclassified from Accumulated Other Comprehensive Income into Interest expense	$ (5)	$ —	$ (10)	$ 2
Total amount of Interest expense presented in the Consolidated Statements of Operations	$ 1,731	$ 1,870	$ 5,400	$ 5,865

The Company estimates an additional $20,000 will be reclassified from other comprehensive loss as an increase to interest expense over the next twelve months.

Credit-risk-related Contingent Features

The agreement between the Company and its derivative counterparties provides that if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, the Company could be declared in default on its derivative obligations.

As of September 30, 2020 and December 31, 2019, the fair value of derivatives in a net liability position including interest but excluding any adjustment for nonperformance risk related to these agreements was $30,000 and $13,000, respectively. As of September 30, 2020 and December 31, 2019, the Company has not posted any collateral related to this agreement and was not in breach of any agreement provisions. If the Company had breached any of these provisions, it could have been required to settle it obligations under the agreement termination value of $30,000 and $13,000, at September 30, 2020 and December 31, 2019 respectively.

Note 14 – New Accounting Pronouncements

In March 2020, the Financial Accounting Standard Board issued ASU 2020-04, Reference Rate Reform (Topic 848). ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, lease, derivatives and other contracts. This guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the first quarter of 2020, the Company has elected to apply hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

In October 2018, the FASB issued ASU 2018-16, (Topic 815): *Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) as a Benchmark Interest Rate for Hedging Purposes*. The amendments in this update permit the OIS rate based on SOFR as an eligible benchmark interest rate. The amendments in this update are effective for fiscal years beginning after December 15, 2018. The Company adopted this guidance on January 1, 2019. The Company does not believe this guidance will have a material effect on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*, which removes, modifies, and adds certain disclosure requirements related to fair value measurements in ASC Topic 820. This guidance is effective for public companies in fiscal years beginning after December 15, 2019, with early adoption permitted. The Company adopted this guidance effective January 1, 2020. The adoption of this guidance did not have a material effect on the consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. This update provides specific guidance for transactions for acquiring goods and services from nonemployees and specifies that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (i) financing to the issuer or (ii) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under ASC Topic 606, Revenue from Contracts with Customers. The Company adopted this guidance effective January 1, 2020. The adoption of this guidance did not have a material effect on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13") establishing ASC Topic 326, *Financial Instruments - Credit Losses* ("ASC 326"), as amended by subsequent ASUs on the topic. ASU 2016-13 changes how entities will account for credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance replaces the current "incurred loss" model with an "expected loss" model that requires consideration of a broader range of information to estimate expected credit losses over the lifetime of the financial asset. ASU 2016-13 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2022. We are currently evaluating the impact of the adoption of ASU 2016-13 on our consolidated financial statements.

Note 15 – Subsequent Events

Subsequent events have been evaluated and any significant events, relative to our consolidated financial statements as of September 30, 2020, that warrant additional disclosure, have been included in the notes to the consolidated financial statements.

The Company is presented with the continued risks presented by the novel coronavirus or COVID-19, which is increasing across most areas of the country and may continue to increase in the markets in which it operates. The ultimate extent of the impact of the pandemic on the Company's business, financial condition, liquidity, results of operations and prospects will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, the severity of, and the actions taken to control, the pandemic, and the short-term and long-term economic impact thereof.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (the "Quarterly Report"), together with other statements and information publicly disseminated by us, contains certain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends concerning matters that are not historical facts. Forward looking statements are generally identifiable by use of words such as "may," "will," "will likely result," "shall," "should," "could," "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions or variations thereof.

Forward-looking statements contained in this Quarterly Report are based on our beliefs, assumptions and expectations of our future performance taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or within our control, and which could materially affect actual results, performance or achievements. Factors which may cause actual results to vary from our forward-looking statements include, but are not limited to:

- general economic and business conditions, including those currently affecting our nation's economy and real estate markets;
- the availability of, and costs associated with, sources of capital and liquidity;
- accessibility of debt and equity capital markets;
- general and local real estate conditions, including any changes in the value of our real estate;
- changes in Federal, state and local governmental laws and regulations, including laws and regulations relating to taxes and real estate and related investments;
- the level and volatility of interest rates;
- our acquisition strategy, which may not produce the cash flows or income expected;
- the competitive environment in which we operate, including competition that could adversely affect our ability to acquire properties and/or limit our ability to lease apartments or increase or maintain rental income;
- a limited number of multi-family property acquisition opportunities acceptable to us;
- our multi-family properties are concentrated in the Southeastern United States and Texas, which makes us more susceptible to adverse developments in those markets;
- risks associated with our strategy of acquiring value-add multi-family properties, which involves greater risks than more conservative strategies;
- the condition of Fannie Mae or Freddie Mac, which could adversely impact us;
- our failure to comply with laws, including those requiring access to our properties by disabled persons, which could result in substantial costs;
- insufficient cash flows, which could limit our ability to make required payments on our debt obligations;
- impairment in the value of real estate we own;
- failure of property managers to properly manage properties;
- disagreements with, or misconduct by, joint venture partners;
- decreased rental rates or increasing vacancy rates;
- our ability to lease units in newly acquired or newly constructed multi-family properties;
- potential defaults on or non-renewal of leases by tenants;
- creditworthiness of tenants;

- our ability to obtain financing for acquisitions;
- development and acquisition risks, including rising or unanticipated costs and failure of such acquisitions and developments to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- our ability to reinvest the net proceeds of dispositions into more, or as favorable, acquisition opportunities;
- potential natural disasters such as hurricanes, tornadoes and floods;
- board determinations as to timing and payment of dividends, if any, and our ability or willingness to pay future dividends;
- financing risks, including the risks that our cash flows from operations may be insufficient to meet required debt service obligations and we may be unable to refinance our existing debt upon maturity or obtain new financing on attractive terms or at all;
- lack of or insufficient amounts of insurance to cover, among other things, losses from catastrophes;
- our ability to maintain our qualification as a REIT;
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us or a subsidiary owned by us or acquired by us;
- our dependence on information systems;
- risks associated with breaches of our or our joint venture partners' information technology systems;
- risks associated with the stock ownership restrictions of the Code for REITs and the stock ownership limit imposed by our charter;
- increases in real estate taxes at properties we acquire due to such acquisitions or other factors;
- the impact of the COVID-19 pandemic;
- the review, and any required response thereto, if any, arising out of the restatements set forth in, and the material weakness in internal control over financial reporting described in, our Annual Report, of our financial statements, accounting, accounting policies and internal control or financial reporting;
- the other factors described in this Quarterly and our Annual Report, including those set forth, as applicable, under the captions "Risk Factors," "Business," and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this Quarterly Report. Except to the extent otherwise required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of the filing of this Quarterly Report or to reflect the occurrence of unanticipated events.

Overview

We are an internally managed real estate investment trust, also known as a REIT, that is focused on the ownership, and operation of multi-family properties. These properties derive revenue from tenant rental payments. Generally, these properties are owned by unconsolidated joint ventures in which we contributed 32% to 90% of the equity. At September 30, 2020, we: (i) wholly own eight multi-family properties located in six states with an aggregate of 1,880 units and a carrying value of $155.1 million; and (ii) have ownership interests, through unconsolidated entities, in 31 multi-family properties located in nine states with 9,162 units (including 741 units at two properties in lease-up) - the carrying value of our net equity investment therein is $175.5 million. Most of our properties are located in the southeast United States and Texas. See- "Off Balance Sheet Arrangements" for information regarding the contributions of our unconsolidated subsidiaries and our reliance upon the cash flow and liquidity provided by such subsidiaries.

As used herein, the term "same store properties" refers to operating properties that were owned for the entirety of the periods being presented. For the three and nine months ended September 30, 2020 and 2019, there were seven same store properties.

Challenges and Uncertainties Presented by COVID-19

We are facing challenges resulting from the outbreak of the COVID-19 pandemic. While the nation-wide economic hardships resulting from the responses to the pandemic did not have a material impact on our results of operations for the three and nine months ended September 30, 2020, the pandemic, among other things, may adversely affect the ability of our residents to pay rent (due to furloughs, layoffs and/or the expiration of, or reduction in, unemployment benefits) and as a result, our ability to pay dividends and/or the debt service on our mortgages. Several of our properties (*e.g.*, Silvana Oaks Apartments-N. Charleston, SC and Crestmont at Thornblade-Greenville, SC.), offer housing near manufacturing and other facilities (*e.g.*, Boeing and BMW, respectively) and several properties (*e.g.,* Parkway Grande-San Marcos, TX and Chatham Court and Reflections-Dallas, TX), offer housing to students at nearby colleges or universities. Reductions in employment at these or other manufacturing or employment centers located close to our properties may make it more difficult for those residents employed at such facilities to pay rent. Changes to the programs offered at educational institutions (*i.e.*, offering on-line classes as opposed to in-person classes) located near our properties has resulted in reduced demand for such properties. The pandemic (i) may require us to incur additional real estate operating expenses to maintain our properties and promote the health and safety of our residents, (ii) may result in reduced revenues due to rent accommodations offered to current or prospective tenants, (iii) has limited our ability to raise rents, market our properties, delayed efforts to implement value add programs and acquire or dispose of properties. Any one or more of the foregoing may adversely impact our results of operations and liquidity and capital resource position. The governmental response to the pandemic has resulted in additional legislation regulating our relationships with our residents, including limitations on our ability to exercise various remedies with respect to residents that do not pay rent or other charges and may result in other legislation changing the relationship between landlords and tenants, including legislation limiting the rents we can charge or collect. The ultimate extent of the impact of the pandemic on our business, financial condition, liquidity, results of operations and prospects will depend on future developments, which are highly uncertain and cannot be predicted with confidence.

Sale of $4 million real estate loan

Our consolidated balance sheet at June 30, 2020, included a $4.0 million loan representing the remaining unpaid principal balance of a legacy asset from the period in which we were engaged in the real estate lending business. This loan, which we historically referred to as the Newark Joint Venture loan, matured June 30, 2020. During the quarter ended September 30, 2020, this loan was sold to an unrelated third party for its unpaid principal balance plus interest and fees of $325,000.

Results of Operations – Three months ended September 30, 2020 compared to three months ended September 30, 2019.

Revenues

The following table compares our revenues for the periods indicated:

(Dollars in thousands):	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Increase (Decrease)	% Change
Rental revenue	$ 7,020	$ 6,261	$ 759	12.1
Other income	293	161	132	82.0
Total revenues	$ 7,313	$ 6,422	$ 891	13.9

Rental revenue

The increase is primarily due to:

- $655,000 due to the inclusion of revenues from a multi-family property at which we bought out the interests of our joint venture partner in October 2019 (the "Partner Buyout") and which is now wholly owned by us, and
- $243,000 from same store properties primarily due to an increase in average rental rates.

Offsetting this increase is the inclusion, in the corresponding period of the prior year, of $138,000 from two properties that were sold in July 2019 (the "Sold Properties").

Other income

The increase is primarily due to default interest that was collected on the Newark loan receivable. This loan was sold on September 30, 2020.

Expenses

The following table compares our expenses for the periods indicated:

(Dollars in thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Increase (Decrease)	% Change
Real estate operating expenses	$ 3,289	$ 2,741	$ 548	20.0
Interest expense	1,731	1,870	(139)	(7.4)
General and administrative	2,730	2,430	300	12.3
Impairment charge	3,642	—	3,642	N/A
Depreciation	1,777	1,373	404	29.4
Total expenses	$ 13,169	$ 8,414	$ 4,755	56.5

Real estate operating expenses.

The increase is due primarily to:

- $381,000 due to the inclusion of operating expenses from the Partner Buyout; and
- $267,000 from several same store properties, due primarily to increased repairs and maintenance, real estate taxes replacement costs and increase real estate insurance rates and increases in utility costs.

Offsetting these increases is the inclusion, in the corresponding period of the prior year, of $111,000 from the Sold Properties.

Interest expense.

The decrease is due to a: (i) $200,000 decrease in such expense on our floating rate subordinated debt due to a decline in interest rates and (ii) lesser extent, a decrease in such expense on our credit facility as there was no amount outstanding under the facility in the current quarter. Offsetting the decrease is an increase of $197,000 due to the inclusion of interest expense from the Partner Buyout.

General and administrative.

The increase is due primarily to a $226,000 increase in compensation costs, including an $89,000 increase for the non-cash amortization of restricted stock.

Depreciation

The increase is primarily due to a non-cash adjustment to record additional depreciation resulting from an increase in asset values on three properties where we previously bought out our partners interests.

Impairment charge

In the current quarter, we entered into a contract to sell our 8.7 acre vacant land parcel in South Daytona Beach, Florida for $4.7 million, which is approximately $3.3 million less than its carrying value at September 30, 2020. The sale of this property, which is scheduled to be completed in mid - 2021, is subject to certain conditions, including the purchaser being satisfied with the results of its due diligence review and the ability to obtain enhanced zoning. As a result of this proposed sale, we took an impairment charge of $3.6 million representing the excess of book value over the sum of the parcel's fair value. We can provide no assurance that this transaction will be completed. We anticipate using the $4.4 million of net proceeds from the sale for general working capital purposes, including the payment of our dividend.

Equity in (loss) of unconsolidated joint ventures.

The table below reflects the condensed income statements of our Unconsolidated Properties. In accordance, among other things, with US generally accepted accounting principles, each of the line items in the chart below (other than equity in (loss) of unconsolidated joint ventures) is presented as if these properties are wholly owned by us though, as noted earlier, our equity interests in these properties range from 32% to 90% (see note 9 of our consolidated financial statements) (dollars in thousands):

	Three Months Ended September 30,			
	2020	2019	Increase (Decrease)	% change
Rental revenues from unconsolidated joint ventures	$ 32,341	$ 31,273	$ 1,068	3.4 %
Real estate operating expense from unconsolidated joint ventures	16,092	15,212	880	5.8 %
Interest expense from unconsolidated joint ventures	8,663	9,202	(539)	(5.9)%
Depreciation from unconsolidated joint ventures	10,411	9,901	510	5.2 %
Total expenses from unconsolidated joint ventures	35,166	34,315	851	2.5 %
Total revenues less total expenses from unconsolidated joint ventures	(2,825)	(3,042)	217	(7.1)%
Loss on extinguishment of debt	—	(379)	379	(100.0)%
Other equity earnings and gain on insurance proceeds	427	—	427	N/A
Net income (loss)	(2,398)	(3,421)	1023	(29.9)%
Equity in (loss) of unconsolidated joint ventures	$ (1,529)	$ (2,390)		

Set forth below is an explanation of the most significant changes in the components of the income of our unconsolidated joint ventures. Same store properties at unconsolidated joint ventures represent 25 properties that have been owned for the entirety of both periods being compared and exclude properties in lease up.

Rental revenue from unconsolidated joint ventures

The increase is due primarily to:

- $1.1 million from two properties currently in lease up,
- $802,000 in revenues from a property acquired during the twelve months ended September 30, 2020,
- $602,000 from unconsolidated same store properties - $455,000 of the increase is due to an increase in average rental rates at many properties and $212,000 of the increase is due to the increase in other variable payments (*e.g.,* utility reimbursements, late fees, etc.), and
- $257,000 from the inclusion, for the entire three months ended September 30, 2020, of a property that was only owned for a portion of the corresponding period in the prior year.

Offsetting the increase is the inclusion, in the corresponding period of the prior year, of $984,000 from a property that was sold in December 2019 and $714,000 from the property that was the subject of the Partner Buyout.

Real estate operating expenses from unconsolidated joint ventures

The increase is due to:

- $1.1 million from same store properties, primarily due to increases of (i) $862,000 in real estate tax expense, of which approximately $445,000 is due to the inclusion, in the corresponding period of the prior year, of refunds and tax reductions received in the corresponding period of the prior year on a property from multi - year tax challenges and the balance is due generally to increases in tax rates, and (ii) $236,000 of increased insurance expense as we have been experiencing increase rates upon renewals,
- $340,000 in expenses incurred from a property acquired during the 12 months ended September 30, 2020,
- $313,000 from two properties currently in lease up, and
- $122,000 from the inclusion, for the entire three months ended September 30, 2020, of one property that was only owned for a portion of the corresponding period in the prior year.

Offsetting the increase is the inclusion, in the corresponding period of the prior year, of $614,000 from a property that was sold in December 2019 and $383,000 from the property that was the subject of the Partner Buyout.

Interest expense from unconsolidated joint ventures

The decrease is due primarily to the inclusion in the corresponding period of the prior year of:

- $200,000 from the property that was the subject of the Partner Buyout,
- $193,000 from same store properties as a result of a mortgage refinancing in the corresponding period of the prior year, and
- $175,000 from a property that was sold in December 2019.

The decrease was offset by the inclusion of $305,000 of interest expense at a property acquired during the 12 months ended September 30, 2020.

Depreciation from unconsolidated joint ventures

The increase is due primarily to:

- $498,000 in expenses from a property acquired during the twelve months ended September 30, 2020, and
- $350,000 from two properties which are currently in lease up and, in the corresponding period in the prior year, were not being fully depreciated because they were in development.

Offsetting the increase is the inclusion, in the corresponding period of the prior year, of $204,000 from the property purchased in the Partner Buyout and $172,000 from a property that was sold in December 2019.

Loss on extinguishment of debt. During the three months ended September 30, 2019, we incurred a swap termination fee in connection with refinancing a variable rate mortgage to a fixed rate mortgage. There was no comparable expense in the current three months.

Other equity earnings and gain on insurance proceeds. During the three months ended September 30, 2020, we recognized a $427,000 gain from the receipt of insurance proceeds related to a casualty loss, representing the proceeds received in excess of the assets written off. There was no comparable gain in the corresponding period of the prior year.

Gain on sale of real estate. During the three months ended September 30, 2019, we sold two properties for an aggregate sales price of $33.2 million and recognized an aggregate gain of $9.9 million, of which $894,000 was allocated to the non-controlling partner.

Loss on extinguishment of debt. During the three months ended September 30, 2019, we incurred $1.4 million of mortgage prepayment charges in connection with the sale of the Stone Crossing and Stone Crossing East Apartments, Houston, TX.

Results of Operations – Nine months ended September 30, 2020 compared to nine months ended September 30, 2019.

Revenues

The following table compares our revenues for the periods indicated:

	Nine Months Ended September 30,			
(Dollars in thousands):	2020	2019	Increase (Decrease)	% Change
Rental revenue	20,422	$ 20,244	$ 178	0.9 %
Other income	631	595	36	6.1 %
Total revenues	$ 21,053	$ 20,839	$ 214	1.0 %

Rental revenue

The increase is due to:

- $1.9 million from the inclusion of revenues from the Partner Buyout, and
- $609,000 from same store properties due primarily to an increase in the average rent, offset by slight decline in average occupancy.

The increase was offset primarily due to the inclusion, in the corresponding period of the prior year, of $2.3 million from the Sold Properties.

Expenses

The following table compares our revenues for the periods indicated:

	Nine Months Ended September 30,			
(Dollars in thousands)	**2020**	**2019**	**Increase (Decrease)**	**% Change**
Real estate operating expenses	$ 9,351	$ 9,242	$ 109	1.2 %
Interest expense	5,400	5,865	(465)	(7.9)%
General and administrative	9,054	7,455	1,599	21.4 %
Impairment Charge	3,642	—	3,642	N/A
Depreciation	5,147	4,348	799	18.4 %
Total expenses	$ 32,594	26,910	$ 5,684	21.1 %

Real estate operating expenses.

The increase is due to:

- $1.1 million from to the inclusion of operating expenses from the Partner Buyout; and
- $540,000 from same store properties, including increases in utilities expense and repairs and maintenance costs, and increased insurance expense due to increase insurance rates.

The increase was offset by the inclusion, in the corresponding period of the prior year, of $1.5 million from the Sold Properties.

Interest expense.

The decrease is due primarily to:

- a $504,000 decrease resulting from the reduction in the interest rate on our floating rate subordinated debt; and
- the inclusion, in the corresponding period of the prior year, of $477,000 of interest from the Sold Properties.

Offsetting the decrease is an increase of $589,000 due to the inclusion of interest expense from the property which is the subject of the Partner Buyout.

General and administrative.

The increase is due primarily to:

- a $799,000 increase in professional fees and expenses, of which $688,000 was incurred in connection with the Restatement,
- increased compensation costs of $425,000, including a $251,000 increase due to the non-cash amortization of restricted stock expense and
- increased costs of $228,000 from our shared services agreement due primarily to the allocation of additional costs of part-time executives in connection with the Restatement.

Impairment charge

See "- Results of Operations - Three months ended September 30, 2020 compared to the three months ended September 30, 2019" for a discussion of this charge.

Equity in (loss) of unconsolidated joint ventures.

The table below reflects the condensed income statements of our Unconsolidated Properties. In accordance, among other things, with US generally accepted accounting principles, each of the line items in the chart below (other than equity in (loss) of unconsolidated joint ventures) is presented as if these properties are wholly owned by us though, as noted earlier, our equity interests in these properties range from 32% to 90%. (dollars in thousands) (see note 8 of our consolidated financial statements):

	Nine Months Ended September 30, 2020	2019	Increase (Decrease)	% change
Rental revenues from unconsolidated joint ventures	$ 94,726	$ 87,076	$ 7,650	8.8 %
Real estate operating expense from unconsolidated joint ventures	45,298	42,612	2,686	6.3 %
Interest expense from unconsolidated joint ventures	26,186	26,027	159	0.6 %
Depreciation from unconsolidated joint ventures	31,184	29,121	2,063	7.1 %
Total expenses from unconsolidated joint ventures	102,668	97,760	4,908	5.0 %
Total revenues less total expenses from unconsolidated joint ventures	(7,942)	(10,684)	2,742	(25.7)%
Loss on extinguishment of debt	—	(379)	379	(100.0)%
Other equity earnings and gain on insurance proceeds	765	517	248	48.0 %
Net loss	$ (7,177)	$ (10,546)	$ 3,369	(31.9)%
Equity in (loss) of unconsolidated joint ventures	$ (4,731)	$ (6,676)	$ 1,945	(29.1)%

Set forth below is an explanation of the most significant changes in the components of the income of our unconsolidated joint ventures. Same store properties at unconsolidated joint ventures represent 25 properties that have been owned for the entirety of both periods being compared and exclude two properties in lease-up.

Rental revenue from unconsolidated joint ventures

The increase is due primarily to:

- $4.6 million from two properties currently in lease up,
- $4.0 million from the inclusion, for the entire nine months ended September 30, 2020, of three properties that were only owned for a portion of the corresponding period in the prior year,
- $2.0 million from one property acquired during the current period, and
- $1.9 million from unconsolidated same store properties due to an increase in average rental rates at many properties partially offset by a decrease in average occupancy.

Offsetting the increase is the inclusion, in the corresponding period of the prior year, of $2.9 million from a property that was sold in December 2019 and $2.1 million from the property that was the subject of the Partner Buyout.

Real estate operating expenses from unconsolidated joint ventures

The increase is due to:

- $1.9 million from the inclusion, for the entire nine months ended September 30, 2020, of three properties that were only owned for a portion of the corresponding period in the prior year,
- $1.7 million from unconsolidated same store properties primarily due to a $1.2 million increase in real estate tax expense, of which approximately $445,000 is due to the inclusion, in the corresponding period of the prior year, of refunds and tax reductions on a property from multi - year tax challenges and the balance is generally due to in tax rates and (ii) $422,000 of increased insurance costs as we have been experiencing increased rates on renewals,
- $1.1 million from two properties which are currently in lease up, and
- $727,000 in expenses incurred from one property acquired during the current period.

Offsetting the increase is the inclusion, in the corresponding period of the prior year, of $1.7 million from a property that was sold in December 2019 and $1.1 million from the property that was the subject of the Partner Buyout.

Interest expense from unconsolidated joint ventures

The increase is due primarily to:

- $1.1 million from the inclusion, for the entire nine months ended September 30, 2020, of three properties that were only owned for a portion of the corresponding period in the prior year,
- $693,000 in expenses incurred at one property acquired during the current period, and
- $631,000 primarily from a property currently in lease up and at which expense was partially capitalized in the corresponding period of the prior year.

Offsetting the increase is a $357,000 decrease due to the reduction in the interest rate on the variable rate construction debt secured by a property in lease up and the inclusion, in the corresponding period of the prior year, of:

- $713,000 from unconsolidated same store properties primarily due to the Refinancing Transaction,
- $592,000 from the property which was the subject of the Partner Buyout, and
- $522,000 from a property that was sold in December 2019.

Depreciation from unconsolidated joint ventures

The increase is due primarily to:

- $1.9 million from two properties which are in lease up and were in development in the corresponding period in the prior year, and are not being fully depreciated,
- $1.2 million in expenses from one property acquired in the current period, and
- $1.0 million from the inclusion, for the entire nine months ended September 30, 2020, of such expense on three properties that were only owned for a portion of the corresponding period in the prior year.

Offsetting the increase is:

- $858,000 from unconsolidated same store properties primarily due to a lower level of depreciation as lease intangibles on several properties have been fully depreciated,
- the inclusion, in the corresponding period of the prior year, of $610,000 from the property which is the subject of the Partner Buyout, and
- $507,000 from a property that was sold in December 2019.

Loss on extinguishment of debt. During the nine months ended September 30, 2019, we incurred a swap termination fee in connection with refinancing a variable rate mortgage to a fixed rate mortgage. There was no comparable expense in the current nine months.

Other equity earnings and gain on insurance proceeds. During the nine months ended September 30, 2020, we recognized a $765,000 gain from the receipt of insurance proceeds related to casualty losses, representing the proceeds received in excess of the assets written off. In the corresponding period of the prior year, we recognized a $517,000 gain from the receipt of insurance proceeds related to a casualty loss at a joint venture property.

Gain on sale of real estate. During the three months ended September 30, 2019, we sold two properties for an aggregate sales price of $33.2 million and recognized an aggregate gain of $9.9 million, of which $894,000 was allocated to the non-controlling partner.

Loss on extinguishment of debt. During the nine months ended September 30, 2019, we incurred $1.4 million of mortgage prepayment charges in connection with the sale of the Stone Crossing and Stone Crossing East Apartments, Houston, TX.

Liquidity and Capital Resources

We require funds to pay operating expenses and debt service, acquire properties, make capital improvements and pay dividends. Generally, our primary sources of capital and liquidity have been the operations of our multi-family properties (including distributions from the joint ventures that own such properties), mortgage debt financings and refinancings, equity contributions for acquisitions from our joint venture partners, our share of the proceeds from the sale of properties, the sale of shares of our common stock pursuant to our at-the-market equity distribution program, our credit facility and our available cash (including restricted cash). Our available liquidity at November 1, 2020, was $35.1 million, including $15.8 million of cash and cash equivalents, $9.3 million of restricted cash and, subject to borrowing base requirements, up to $10.0 million of availability under our credit facility.

We anticipate that through 2022, our operating expenses, $104.0 million of mortgage amortization and interest expense and $182.9 million of balloon payments (including $88.2 million and $108.2 million, respectively, from unconsolidated joint ventures) due with respect to mortgages maturing from 2020 to 2022, estimated cash dividend payments of at least $34.1 million (assuming (i) the current quarterly dividend rate of $0.22 per share and (ii) 17.2 million shares outstanding), will be funded from cash generated from operations (including distributions from unconsolidated joint ventures), sales of properties and our credit facility. Our operating cash flow and available cash is insufficient to fully fund the $182.9 million of balloon payments, and if we are unable to refinance such debt, we may need to issue additional equity or dispose of properties, in each case on potentially unfavorable terms.

Capital improvements at (i) 20 multi-family properties will be funded by approximately $9.1 million of restricted cash available at September 30, 2020 and the cash flow from operations at such properties and (ii) other properties will be funded from the cash flow from operations of such properties.

Our ability to acquire additional multi-family properties (including our acquisition of our partner's interest in properties owned by joint ventures) is limited by our available cash, and our ability to (i) draw on our credit facility (ii) obtain, on acceptable terms, equity contributions from joint venture partners and mortgage debt from lenders and (iii) raise capital from the sale of our common stock. Further, if and to the extent we generate ordinary taxable income, we will be required to make distributions to stockholders to maintain our REIT status and as a result, will be limited in our ability to use gains, if any, from property sales, as a source of funds for operating expenses, debt service and property acquisitions.

Junior Subordinated Notes

As of September 30, 2020, $37.4 million (excluding deferred costs of $322,000) in principal amount of our junior subordinated notes is outstanding. These notes mature in April 2036, contain limited covenants (including covenants prohibiting us from paying dividends or repurchasing capital stock if there is an event of default (as defined therein) on these notes), are redeemable at our option and bear an interest rate, which resets and is payable quarterly, of three-month LIBOR plus 200 basis points. At September 30, 2020 and 2019, the interest rate on these notes was 2.27% and 4.26%, respectively.

Credit Facility

We entered into a credit facility dated April 18, 2019, as amended from time to time, with VNB New York, LLC, an affiliate of Valley National Bank. The facility allows us to borrow, subject to compliance with borrowing base requirements and other conditions, up to $10 million. The facility is available for the acquisition of, and investment in, multi-family properties, for working capital (including dividend payments) and operating expenses. It is secured by the cash available in certain cash accounts maintained by the Company at VNB, matures April 2021 and bears an annual interest rate of 50 basis points over the prime rate, with a floor of 5%. There is an unused facility fee of 0.25% per annum on the difference between the outstanding loan balance and maximum amount then available under the facility.

The terms of the facility include certain restrictions and covenants which limit, among other things, the incurrence of liens, and which require compliance with financial ratios relating to, among other things, the minimum amount of debt service coverage with respect to the properties (and amounts drawn on the facility) used in calculating the borrowing base, the minimum number of wholly owned properties and the minimum number of properties used in calculating the borrowing base. Net proceeds received from the sale, financing or refinancing of wholly owned properties are generally required to be used to repay amounts outstanding under the facility.

Off Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements (as such term is defined in Item 303(a)(4) of Regulation S-K). Nevertheless, you should be aware that we are joint venture partners in approximately 31 unconsolidated joint ventures which own multi-family properties and that the distributions from these joint venture properties ($3.7 million in the quarter ended September 30, 2020) are a material source of our liquidity and cash flow. Further, we may be required to make significant capital contributions with respect to these properties. At September 30, 2020, these joint venture properties have a net equity carrying value of $175.5 million and are subject to mortgage debt, which is not reflected on our consolidated balance sheet, of $825.8 million. Although BRT Apartments Corp. is not the obligor with respect to such mortgage debt, the loss of any of these properties due to mortgage foreclosure or similar proceedings would have a material adverse effect on our results of operations and financial condition. These joint venture arrangements have been, and we anticipate that they will continue to be, material to our liquidity and capital resource position. See note 9 to our consolidated financial statements.

Cash Distribution Policy

We have elected to be treated as a REIT under the Internal Revenue Code of 1986, as amended, which we refer to as the "Code." To qualify as a REIT, accordingly we must meet a number of organizational and operational requirements, including a requirement that we distribute to our stockholders within the time frames prescribed by the Code at least 90% of our ordinary taxable income. Management currently intends to maintain our REIT status. As a REIT, we generally will not be subject to corporate Federal income tax on taxable income we distribute to stockholders in accordance with the Code. If we fail to qualify as a REIT in any taxable year, we will be subject to Federal income taxes at regular corporate rates and may not be able to qualify as a REIT for four subsequent tax years. Even if we qualify for Federal taxation as a REIT, we are subject to certain state and local taxes on our income and to Federal income and excise taxes on undistributed taxable income, (*i.e.*, taxable income not distributed in the amounts and in the time frames prescribed by the Code).

Our net operating loss at December 31, 2019 was $16.8 million; therefore, we are not currently required by Code provisions relating to REITs to pay cash dividends to maintain our status as a REIT. Notwithstanding the foregoing, on each of April 7, 2020, July 9, 2020, and October 12, 2020, we paid a cash dividend of $0.22 per share.

We are carefully monitoring our discretionary spending, particularly in light of the potential reduction in the base cash rent from tenants due to the economic challenges resulting from the pandemic. Our largest recurring discretionary expenditure has been our quarterly dividend (which was $ 0.22 per share of common stock, or in the approximate amount of $ 3.8 million, for the most recent quarter). Each quarter, our board of directors evaluates the timing and amount of our dividend based on its assessment of, among other things, our short and long- term cash and liquidity requirements, prospects, debt maturities, projections of our REIT taxable income, net income, funds from operations, adjusted funds from operations and the dividend policies of our peers.

Funds from Operations; Adjusted Funds from Operations; Net Operating Income

We disclose below funds from operations (“FFO”) and adjusted funds from operations (“AFFO”) because we believe that such metrics are a widely recognized and appropriate measure of the performance of an equity REIT.

We compute FFO in accordance with the “White Paper on Funds From Operations” issued by the National Association of Real Estate Investment Trusts (“NAREIT”) and NAREIT’s related guidance. FFO is defined in the White Paper as net income (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment write-downs of certain real estate assets and investments in entities where the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect funds from operations on the same basis. In computing FFO, we do not add back to net income the amortization of costs in connection with our financing activities or depreciation of non- real estate assets. We compute AFFO by deducting from FFO our straight-line rent accruals, loss on extinguishment of debt, restricted stock and restricted stock unit expense, deferred mortgage costs and gain on insurance recovery. Since the NAREIT White Paper only provides guidelines for computing FFO, the computation of AFFO may vary from one REIT to another.

We believe that FFO and AFFO are useful and standard supplemental measures of the operating performance for equity REITs and are used frequently by securities analysts, investors and other interested parties in evaluating equity REITs, many of which present FFO and AFFO when reporting their operating results. FFO and AFFO are intended to exclude GAAP historical cost depreciation and amortization of real estate assets, which assumes that the carrying value of real estate assets diminishes predictably over time. In fact, real estate values have historically risen and fallen with market conditions. As a result, we believe that FFO and AFFO provide a performance measure that when compared year over year, should reflect the impact to operations from trends in occupancy rates, rental rates, operating costs, interest costs and other matters without the inclusion of depreciation and amortization, providing a perspective that may not be necessarily apparent from net income. We also consider FFO and AFFO to be useful to us in evaluating potential property acquisitions.

FFO and AFFO do not represent net income or cash flows from operations as defined by GAAP. FFO and AFFO should not be considered to be an alternative to net income as a reliable measure of our operating performance; nor should FFO and AFFO be considered an alternative to cash flows from operating, investing or financing activities (as defined by GAAP) as measures of liquidity. FFO and AFFO do not measure whether cash flow is sufficient to fund all of our cash needs, including principal amortization and capital improvements. FFO and AFFO do not represent cash flows from operating, investing or financing activities as defined by GAAP.

Management recognizes that there are limitations in the use of FFO and AFFO. In evaluating our performance, management is careful to examine GAAP measures such as net income and cash flows from operating, investing and financing activities.

The tables below provides a reconciliation of net loss determined in accordance with Generally Accepted Accounting Principles ("GAAP") to FFO and AFFO on a dollar and per share basis for each of the indicated periods (amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
GAAP Net loss attributable to common stockholders	$ (7,484)	$ 3,272	$ (16,561)	$ (5,292)
Add: depreciation of properties	1,777	1,373	5,147	4,348
Add: our share of depreciation in unconsolidated joint ventures	6,624	6,366	19,823	18,526
Add: Impairment charge	3,642	—	3,642	—
Deduct: gain on sale of real estate	—	(9,938)	—	(9,938)
Adjustments for non-controlling interests	(4)	889	(12)	859
NAREIT Funds from operations attributable to common stockholders	4,555	1,962	12,039	8,503
Adjustments for: straight-line rent accruals	(10)	(10)	(30)	(30)
Add: loss on extinguishment of debt	—	1,387	—	1,387
Add: our share of loss on extinguishment of debt from unconsolidated joint ventures	—	273	—	273
Add: amortization of restricted stock and restricted stock units	461	372	1,360	1,110
Add: amortization of deferred mortgage costs	80	71	240	228
Add: our share of deferred mortgage costs from unconsolidated joint venture properties	156	246	479	831
Less: our share of gain on insurance proceeds from unconsolidated joint venture	(350)	—	(519)	(414)
Adjustments for non-controlling interests	2	(123)	5	(121)
Adjusted funds from operations attributable to common stockholders	$ 4,894	$ 4,178	$ 13,574	$ 11,767

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
GAAP Net loss attributable to common stockholders	$ (0.44)	$ 0.20	$ (0.97)	$ (0.33)
Add: depreciation of properties	0.11	0.09	0.31	0.28
Add: our share of depreciation in unconsolidated joint ventures	0.39	0.39	1.16	1.17
Add: Impairment charge	0.21	—	0.21	—
Deduct: gain on sale of real estate	—	(0.62)	—	(0.63)
Adjustment for non-controlling interests	—	0.06	—	0.05
NAREIT Funds from operations per diluted common share	0.27	0.12	0.71	0.54
Adjustments for: straight line rent accruals	—	—	—	—
Add: loss on extinguishment of debt	—	0.09	—	0.09
Add: our share of loss on extinguishment of debt from unconsolidated joint ventures	—	0.02	—	0.02
Add: amortization of restricted stock and restricted stock units	0.02	0.02	0.08	0.07
Add: amortization of deferred mortgage costs	—	—	0.01	0.01
Add: our share of deferred mortgage costs from unconsolidated joint venture properties	0.01	0.02	0.03	0.05
Less: our share of gain on insurance proceeds from unconsolidated joint venture	(0.02)	—	(0.03)	(0.03)
Adjustments for non-controlling interests	—	(0.01)	—	(0.01)
Adjusted funds from operations per diluted common share	$ 0.28	$ 0.26	$ 0.80	$ 0.74

Net Operating Income, or NOI is a non-GAAP measure of performance. NOI is used by our management and many investors to evaluate and compare the performance of our properties to other comparable properties, to determine trends at our properties and to determine the estimated fair value of our properties. The usefulness of NOI may be limited in that it does not take into account, among other things, general and administrative expense, interest expense, loss on extinguishment of debt, casualty losses, insurance recoveries and gains or losses as determined by GAAP. NOI is a property specific performance metric and does not measure our performance as a whole.

We compute NOI by adjusting net income (loss) to (a) add back (1) depreciation expense, (2) general and administrative expenses, (3) interest expense, (4) loss on extinguishment of debt, (5) equity in loss of unconsolidated joint ventures, (6) provision for taxes, (7) the impact of non-controlling interests, and (b) deduct (1) other income, (2) gain on sale of real estate, and (3) gain on insurance recoveries related to casualty loss. Other REIT's may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REIT's. We believe NOI provides an operating perspective not immediately apparent from GAAP operating income or net income (loss). NOI is one of the measures we use to evaluate our performance because it (i) measures the core operations of property performance by excluding corporate level expenses and other items unrelated to property operating performance and (ii) captures trends in rental housing and property operating expenses. However, NOI should only be used as an alternative measure of our financial performance.

The following table provides a reconciliation of net income attributable to common stockholders as computed in accordance with GAAP to NOI of our consolidated properties for the periods presented (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
GAAP Net loss attributable to common stockholders	$ (7,484)	$ 3,272	$ (16,561)	$ (5,292)
Less: Other Income	(293)	(161)	(631)	(595)
Add: Interest expense	1,731	1,870	5,400	5,865
General and administrative	2,730	2,430	9,054	7,455
Impairment charge	3,642	—	3,642	—
Depreciation	1,777	1,373	5,147	4,348
Provision for taxes	65	98	192	219
Less: Gain on sale of real estate	—	(9,938)	—	(9,938)
Add: Loss on extinguishment of debt	—	1,387	—	1,387
Equity in loss of unconsolidated joint venture properties	1,529	2,390	4,731	6,676
Add: Net loss attributable to non-controlling interests	34	799	97	877
Net Operating Income	$ 3,731	$ 3,520	$ 11,071	$ 11,002
Less: Non-same store Net Operating Income	$ (498)	$ (264)	$ (1,543)	$ (1,543)
Same store Net Operating Income	$ 3,233	$ 3,256	$ 9,528	$ 9,459

For the three months ended September 30, 2020, NOI increased $211,000, primarily due to the Partner Buyout and the consolidation of such property. Same store NOI decreased $23,000 due to increased operating expenses of $278,000 offset by a $242,000 increase in revenues.

For the nine months ended September 30, 2020, NOI increased $69,000, primarily due to the Partner Buyout and the consolidation of such property, offset by a decrease due to the Sold Properties. Same store NOI increased $69,000 due primarily to increased revenues of $550,000 offset by a $522,000 increase in operating expenses.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

All of our mortgage debt is fixed rate, other than one mortgage, which is subject to an interest rate swap agreement that effectively fixes the interest rate.

As of September 30, 2020, we had one interest rate swap agreement outstanding. The fair value of this derivative instrument is dependent upon existing market interest rates and swap spreads, which change over time. At September 30, 2020, if there had been (i) an increase of 100 basis points in forward interest rates, the fair market value of this derivative instruments and the net unrealized gain thereon would have increased by approximately $14,000 and (ii) if there had been a decrease of 100 basis points in forward interest rates, the fair market value of these derivatives and the net unrealized gain thereon would have decreased by approximately $14,000. These changes would not have any impact on our net income or cash.

Our junior subordinated notes bear interest at the rate of three month LIBOR plus 200 basis points. At September 30, 2020, the interest rate on these notes was 2.27%. A 100 basis point increase in the rate would increase our related interest expense by approximately $374,000 annually and a 100 basis point decrease in the rate would decrease our related interest expense by $89,000 annually.

Item 4. Controls and Procedures

As required under Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer, Senior Vice President-Finance and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of September 30, 2020.

As disclosed in Part II, Item 9A. *Controls and Procedures* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, a material weakness was identified in the internal controls over financial reporting related to the consolidation of properties that should have been accounted for using the equity method of accounting rather than consolidated.

After considering the progress of the remediation plan noted below and consider that because we have not acquired any properties since the Restatement, there has not been an appropriate opportunity to test the enhanced controls to conclude they are operating effectively, the Chief Executive Officer, Senior Vice President-Finance, and Chief Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures were not effective as of such date.

Due to the material weakness, subsequent to March 31, 2020, management implemented a remediation plan to address the control deficiency that led to the material weakness. We made significant changes to the process of evaluating the accounting for investments in property ventures. Specifically, we have implemented procedures to assess each investment in accordance with the applicable accounting guidance and prepare an analysis spreadsheet that highlights the key criteria and decision points leading to the consolidation or equity method determination. Specific multi-level reviews of this enhanced documentation have been implemented to ensure that the correct contract terms are included in the analyses and the criteria and decision points are properly assessed. As these controls operate over a subjective area, include management judgment, and require certain technical and operational expertise, we have determined them to be management review controls. Additionally, due to the technical knowledge needed to perform the analysis and review, we have also implemented additional required training on the subject matter (*i.e.*, consolidation accounting). We have implemented the enhanced procedures and documentation standards and our plan is to test the remediation of this material weakness by the end of 2020, subject to there being sufficient opportunities to conclude, through testing, that the enhanced control is operating effectively.

Despite the foregoing, our management has concluded that, the financial statements fairly present in all material respects, our financial position, results of operations and cash flows as of the dates, and for the periods presented, in conformity with generally accepted accounting principles ("GAAP").

Part II - Other Information

Item 5. Other Information

See note 6 to our consolidated financial statements and “Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations” for information regarding the $3.6 million impairment charge we took in the quarter ended September 30, 2020.

Item 6. Exhibits

Exhibit No.	Title of Exhibits
10.1	BRT Apartments Corp. 2020 Incentive Plan
31.1	Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Senior Vice President—Finance pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certification of Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of President and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Senior Vice President—Finance pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.3	Certification of Vice President and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements. XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Date File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BRT APARTMENTS CORP.

November 6, 2020	/s/Jeffrey A. Gould
	Jeffrey A. Gould, President and Chief Executive Officer
November 6, 2020	/s/George Zweier
	George Zweier, Vice President and Chief Financial Officer (principal financial officer)

BRT APARTMENTS CORP. 2020 INCENTIVE PLAN
(PROPOSAL 3)

Highlights of the Plan

Set forth below are some of the highlights of the Plan:

- Options, restricted stock, restricted stock units, dividend equivalent rights and performance based awards may be granted;
- A non-management director may not be granted awards with respect to more than 10,000 shares in any year;
- Options may not be granted at an exercise price per share that is less than 100% of the fair market value per share on the date of the grant;
- Participants may not be granted more than 100,000 shares in any year pursuant to each type of award other than with respect to stock options as to which no more than 50,000 shares may be granted in each year;
- Without stockholder approval, we will not (i) reprice, replace or regrant, an outstanding option either in connection with the cancellation of such option or by amending an award agreement to lower the exercise price of such option, (ii) cancel outstanding options in exchange for cash or other awards; and (iii) repurchase outstanding unvested restricted stock or unvested RSUs in exchange for cash.

General

The Board has approved, subject to stockholder approval, the adoption of the BRT Apartment Corp. 2020 Incentive Plan. The Board believes that granting equity based compensation is an important component of our compensation structure. The purpose of the Plan is to motivate, retain and attract employees, officers and directors of experience and ability and to further the financial success of our company by aligning the interests of participants in the Plan, through the ownership of shares of common stock, with the interests of our stockholders.

As of the close of business on the record date, an aggregate of 1,194,145 shares of restricted stock and shares subject to RSUs (*i.e*., 744,145 shares of restricted stock and 450,000 shares subject to RSUs) issued pursuant to all of our equity incentive plans are outstanding. The outstanding restricted stock vests annually in approximately equal amounts from 2020 through 2025 and, subject to satisfaction of performance and market based conditions, the shares subject to RSUs vest in 2021. See "*Executive Compensation – Long-Term Equity and Long-Term Equity Incentive Awards" and "Executive Compensation – Outstanding Equity Awards at Fiscal Year End."* There are 140,605 shares available to be awarded pursuant to our 2018 Incentive Plan, which we refer to as the 2018 Plan, and we propose the adoption of the Plan pursuant to which up to 1,000,000 shares may be awarded. If stockholders adopt the Plan, no further awards will be made under the 2018 Plan. Generally, the awards granted each year have represented approximately 1% of our outstanding shares at the time of grant. The closing price of a share of our common stock on the New York Stock Exchange on May 15, 2020 was $8.91.

The following summary of major features of the Plan is qualified in its entirety by reference to the actual text of the Plan, set forth as Annex A.

Shares Subject to the Plan

The total number of shares available for grant under the Plan will not exceed 1,000,000 shares. The Plan authorizes the discretionary grant of (i) incentive stock options intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended, which we refer to as the "Code", (ii) non-qualified stock options, (iii) restricted stock, (iv) restricted stock units, (v) dividend equivalent rights and (vi) performance-based awards. The shares available for issuance under the Plan will be authorized but unissued common shares. Shares related to awards that are forfeited, cancelled, terminated or expire unexercised will be available for grant under the Plan. Neither shares tendered by a participant to pay the exercise price of an award, nor any shares withheld by us for taxes, will be available for future grants under the Plan. In the event of a stock dividend or stock split affecting our shares, the number of shares issuable and issued under the Plan and the number of shares covered by and the exercise price and other terms of outstanding awards will be adjusted to reflect such event to prevent dilution or diminution of awards.

Administration of the Plan

The Plan will be administered by our compensation committee which, to the extent deemed necessary by the Board, will consist of two or more persons who satisfy the requirements for a “non-employee director” under Rule 16(b) under the Exchange Act. The compensation committee has authority to administer and construe the Plan in accordance with its provisions, including the power to (a) determine persons eligible for awards, (b) prescribe the terms and conditions of awards granted under the Plan, (c) adopt rules for the administration, interpretation and application of the Plan which are consistent with the Plan and (d) establish, interpret, amend or revoke any such rules. A non-management director may not be granted awards with respect to more than 10,000 shares in any calendar year.

Options

Stock options entitle the holder to purchase a specified number of shares at a specified exercise price subject to the terms and conditions of the option grant. The purchase price per share for each stock option is determined by the compensation committee, but must be at least 100% of the fair market value per share on the date of grant. The aggregate fair market value of shares with respect to which incentive stock options are exercisable for the first time by an individual during any calendar year cannot exceed $100,000. To the extent that the fair market value of shares with respect to which incentive stock options become exercisable for the first time during any calendar year exceeds $100,000, the portion in excess of $100,000 will be treated as a non-qualified option. Options granted under the Plan may be exercisable for a term up to ten years. If a participant owns more than 10% of the total voting power of all classes of our shares at the time the participant is granted an incentive stock option, the purchase price per share for such option cannot be less than 110% of the fair market value per share on the date of grant and the term of such option cannot exceed five years.

Restricted Stock and RSUs

Restricted stock are shares that may not be sold, transferred, gifted, bequeathed, pledged, assigned or otherwise disposed of until the end of a specified restriction period. Restricted stock units, or RSUs, represent the right, upon satisfaction of specified conditions, to receive shares and are subject to the same restrictions on transferability applicable to restricted stock. RSUs and shares of restricted stock will be issued at the beginning of the restriction period and the compensation committee shall set restrictions and other conditions applicable to the vesting of such award, including restrictions based on the achievement of specific performance goals, time based restrictions or any other basis determined by the compensation committee.

Generally, recipients of restricted stock have the right to vote such shares and to receive and retain cash dividends and other distributions, if any, paid thereon, even if such restricted stock is later forfeited. Recipients of RSUs are not entitled to dividends (except to the extent a dividend equivalent right is granted in tandem with an RSU) or vote with respect to the underlying shares until such units vest. Recipients of these awards will not be entitled to delivery of the stock certificate (or its equivalent) representing the shares until the applicable restrictions have been satisfied. The Plan provides that except as otherwise determined by the compensation committee, RSUs and shares of restricted stock for which the vesting and other applicable conditions have not been met will be forfeited upon the death, disability or retirement of such participant; it is anticipated that to the extent permitted by law, the compensation committee will, as it has in the past, provide that (i) shares of restricted stock vest upon such occurrence and (ii) with respect to RSUs, subject to the satisfaction of the applicable market and/or performance conditions, a *pro-rata* portion (based on the time elapsed between the grant and the triggering event) of the RSUs will vest. See *“Executive Compensation –Components of Executive Compensation – Employment and Severance Agreements; Post-Employment Benefits; Change of Control.”*

Generally, restricted stock or RSUs that do not vest as provided in the applicable award agreement will be forfeited and the recipient of such award will not have any rights after such forfeiture with respect to such award other than to retain dividends paid prior thereto.

Dividend Equivalent Rights

The Plan allows the compensation committee to grant dividend equivalents rights in tandem with the grant of RSUs and performance based awards (other than restricted stock and options). These rights entitle the holder to receive an amount of cash equal to the cash distributions that would have been paid on shares underlying the award to which such right relates, as if such shares were outstanding during the period beginning with the grant date (or if otherwise determined by the compensation committee, the beginning of the performance cycle) of the award to which such dividend equivalent right relates through the vesting date (or if otherwise determined by the compensation committee, the conclusion of the performance cycle) of such award. Dividend equivalents rights will only vest to the extent the related award vests.

Performance Based Awards

Performance based awards will be made by the issuance of restricted stock units or other awards, or a combination thereof, contingent upon the attainment, as established by the compensation committee, of one or more performance goals (described below) over a specified period. The maximum number of shares with respect to which a participant may be granted performance based awards in any calendar year is 100,000 shares.

The terms and conditions of a performance based award will provide for the vesting of the award to be contingent upon the achievement of one or more specified performance goals that the compensation committee establishes. For this purpose, "performance goals" means for a performance cycle, the specific goals that the compensation committee establishes that may be based on one or more of the following performance criteria:

- pre-tax income,
- after-tax income,
- net income (meaning net income as reflected in our financial reports for the applicable period),
- operating income (including net operating income),
- any one or more of cash flow, cash flow from operations, and free cash flow,
- return on any one or more of equity, capital, invested capital and assets,
- funds available for distribution,
- occupancy rate at any one or more of our properties,
- total stockholder return,
- funds from operations ("FFO"), as computed in accordance with standards established by the National Association of Real Estate Investment Trusts Inc.,
- adjusted FFO (*i.e.*, adjusting FFO to give effect to any one or more of the following: straight-line rent, amortization of lease tangibles, lease termination fee income, amortization of restricted stock or other non-cash compensation expense, amortization and/or write-off of deferred financing costs, deferred mortgage and debt prepayment costs),
- stock appreciation (meaning an increase in the price or value of the Shares after the date of grant of an award and during the applicable period),
- revenues,
- assets,
- earnings before any one or more of the following items: interest, taxes, impairment charges, depreciation or amortization for the applicable period, as reflected in our financial reports for the applicable perio
- reduction in expense levels,
- operating cost management and employee productivity,

- strategic business criteria consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, cost targets and goals relating to acquisition or divestitures,

- achievement of business or operational goals such as market share and/or business development; and

- such other metrics or criteria as the Committee may establish or select.

The performance goals need not be the same with respect to all participants and may be established for the Company in the aggregate or on a per share basis (whether diluted or undiluted), may be based on an absolute or relative basis, may be based on our performance compared to the performance of businesses or indices specified by the compensation committee, may be compared to any prior period, may be based on a company-wide basis or in respect of any one or more business units, may be adjusted for non-controlling interests, and any one or more of the foregoing.

Amendment and Termination of the Plan

No awards may be made under the Plan on or after the tenth anniversary of the Plan's effective date. Our Board may amend, suspend or terminate the Plan at any time for any reason provided that no amendment, suspension or termination may impair rights or obligations under any outstanding award without the participant's consent or violate the Plan's prohibition on repricing (*i.e*., the replacing or regranting of an option in connection with the cancellation of the option or by amending an award agreement to lower the exercise price of an option or the cancellation of any award in exchange for cash). The stockholders must approve any amendment: (i) if such approval is required under applicable law or stock exchange requirements; or (ii) that changes the no-repricing provisions of the Plan.

Clawbacks; Compliance with Laws; Compliance with REIT Requirements

The grant of awards and the issuance of shares under the Plan is subject to all applicable laws, rules and regulations, approvals by governmental and quasi-governmental authorities and the applicable provisions of any claw-back policy implemented by us, whether implemented prior to or after the grant of such award.

If a recipient's relationship with us is terminated for cause (*e.g*., insubordination, dishonesty, incompetence, moral turpitude, the refusal to perform such person's duties and responsibilities and other misconduct, as determined by the compensation committee), then (i) all options (except to the extent exercised) immediately terminate and (ii) the recipient's rights to all restricted stock, RSUs and performance share awards (except to the extent such awards have vested) are forfeited immediately.

Awards are not exercisable if such award or its exercise could cause the participant to be in violation of any restrictions on ownership and transfer of our securities, or if, in the discretion of the Committee, such award could otherwise impair our status as a real estate investment trust under the Code.

Change in Control

Awards granted under the Plan that are outstanding and not then exercisable or subject to restrictions at the time of a change in control (as described below and in the Plan) become immediately exercisable and all restrictions are removed effective as of such change in control, except as otherwise provided in the award agreement. Our RSUs limit the vesting of such awards upon a change of control. See *"Executive Compensation – Employment and Severance Agreements; Post-Employment Benefits; Change of Control."* The Plan defines a change in control as follows:

a. the acquisition (other than from us) in one or more transactions by any person (as defined in Section 13(d) of the Exchange Act) of the beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 25% or more of the outstanding shares or the combined voting power of the then outstanding securities entitled to vote in the election of directors (provided that this provision is not applicable to acquisitions made individually, or as a group, by Fredric H. Gould, Matthew J. Gould and Jeffrey A. Gould and their respective spouses, lineal descendants and affiliates);

b. individuals who, at the date of the award, constitute our board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the board; *provided, however,* that an individual becoming a director subsequent to the date of an award whose election or nomination for election was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individuals were a member of the Incumbent Board, but excluding any individual whose initial assumption of office occurs as a result either of an actual or threatened election contest or other actual or threatened solicitation of proxies or consent by and behalf of a person other than the Incumbent Board;
    i.
c. the closing of a sale or other conveyance of all or substantially all of our assets;

d. the effective time of any merger or other business combination involving us if immediately after such transactions persons who hold a majority of outstanding voting securities entitled to vote generally in the election of the directors of the surviving entity are not persons who, immediately prior to such transaction, held our voting stock.

Federal Income Tax Consequences

The federal tax rules applicable to awards under the Plan under the Code are summarized below. This summary omits the tax laws of any municipality, state, or foreign country in which a participant resides.

Stock option grants under the Plan may be intended to qualify as incentive stock options under Section 422 of the Code or may be non-qualified stock options governed by Section 83 of the Code. Generally, federal income tax is not due from a participant upon the grant of a stock option, and a deduction is not taken by us. Under current tax laws, if a participant exercises a non-qualified stock option, he or she will have taxable income equal to the difference between the market price of the common shares on the exercise date and the stock option grant price. We are entitled to a corresponding deduction on our income tax return.

A participant will not have any taxable income upon exercising an incentive stock option after the applicable holding periods have been satisfied (except that the alternative minimum tax may apply), and we will not receive a deduction when an incentive stock option is exercised. The treatment of a disposition of shares acquired through the exercise of a stock option depends on how long the shares were held and whether the shares were acquired by exercising an incentive stock option or a non-qualified stock option. We may be entitled to a deduction in the case of a disposition of shares acquired under an incentive stock option before the applicable holding periods have been satisfied.

Generally, taxes are not due from the participant or owed by us when a grant of restricted stock, RSUs or performance based awards is initially made (unless the recipient of a restricted stock award makes an election under Section 83(b) of the Code in which case it is taxed at the time of grant), but the award becomes taxable when it is no longer subject to a "substantial risk of forfeiture" (*i.e.*, it becomes vested or transferable), in the case of restricted stock, or when shares are issuable in connection with vesting, in the case of an RSU or performance based award. Except with respect to awards for which a Section 83(b) election is made, income tax is paid on the value of the stock units or awards at ordinary rates when the restrictions lapse, and then at capital gain rates when the shares are sold. Generally, we will be entitled to a deduction equal to the amount of ordinary income recognized by the participant at the time the participant recognizes such income for tax purposes.

The grant of dividend equivalents rights generally will have no federal income tax consequences for the participant. Generally, the participant will recognize ordinary income and/or capital gain, depending on the characterization of such distribution as ordinary income and/or capital gain, on the amount distributed to the participant pursuant to such dividend equivalent rights. Generally, we will be entitled to a dividend paid deduction equal to the amount of ordinary income and/or capital gain recognized by the participant at the time the participant recognizes such income for tax purposes.

Section 409A of the Code affects taxation of awards to employees but does not affect our ability to deduct deferred compensation. Section 409A applies to RSUs, performance units, and performance shares. Such grants are taxed at vesting but will be subject to new limits on plan terms governing when vesting may occur. If grants under such plans do not allow employees to elect further deferral on vesting or on distribution, under the regulations, a negative impact should not attach to the grants.

Section 409A of the Code does not apply to incentive stock options, non-qualified stock options (that are not discounted), and restricted stock, provided that there is no deferral of income beyond the vesting date.

See "*Executive Compensation – Deductibility of Executive Compensation*" for information regarding Section 162(m) of the Code.

New Plan Benefits Table

We have not determined the type, amount or recipients of awards under the 2020 Plan. Accordingly, we provide the following table which reflects the awards granted in 2019 pursuant to the 2018 Plan to the persons and groups indicated as if such grants were made pursuant to the 2020 Plan. These awards were in the form of restricted stock that vest on a "cliff-vesting" basis five years after grant. See *"Executive Compensation –Grant of Plan Based Awards During 2019*" for additional information regarding the equity awards granted in 2019.

Name and Position	Dollar Value(1)	Number of Units
Jeffrey A. Gould		
President and Chief Executive Officer	243,927	14,374
Mitchell Gould		
Executive Vice President	183,276	10,800
David W. Kalish		
Senior Vice President	118,790	7,000
George Zweier		
Vice President and Chief Financial Officer	123,881	7,300
Steven Rosenzweig		
Senior Vice President - Legal	56,120	3,307
Executive group (8 individuals)	1,347,537	79,407
Non-executive director group (6 individuals)	397,098	23,400
Non-executive officer and employee group (38 individuals)	726,061	42,785

(1) Reflects the number of units multiplied by $16.97, the closing price of our common stock on December 31, 2019.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE IN FAVOR OF THE PROPOSAL TO ADOPT THE BRT APARTMENTS CORP. 2020 INCENTIVE PLAN.

ADDITIONAL INFORMATION AND NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

As of the date of this proxy statement, we do not know of any business that will be presented for consideration at the meeting other than the items referred to in the Notice of the Meeting. Subject to applicable law, if any other matter is properly brought before the meeting for action by stockholders, the holders of the proxies will vote and act with respect to the business in accordance with their best judgment and discretionary authority to do so is conferred by the enclosed proxy. Our Conduct Code, corporate governance guidelines and the charters for our audit, compensation and nominating committees are available under the "Corporate Governance'' tab at www.brtapartments.com.

This proxy statement (including the notice of meeting), the proxy card and our Annual Report are available at www.brtapartments.com/annualmeetingmaterials.pdf.

By order of the Board of Directors

S. Asher Gaffney, *Secretary*

ANNEX A

BRT APARTMENTS CORP.
2020 INCENTIVE PLAN

SECTION 1
EFFECTIVE DATE AND PURPOSE

1.1 *Effective Date*. This Plan (as defined) shall become effective upon approval by the stockholders of the Company (as defined), as and to the extent required by the listing requirements of the New York Stock Exchange.

1.2 *Purpose of the Plan*. The Plan is designed to motivate, retain and attract Participants (as defined) of experience and ability and to further the financial success of the Company by aligning the interests of Participants through the ownership of Shares (as defined) with the interests of the Company's stockholders.

SECTION 2
DEFINITIONS

The following terms shall have the following meanings (whether used in the singular or plural) unless a different meaning is plainly required by the context:

"*1934 Act*" means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the 1934 Act or a regulation thereunder shall include any regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

"*Affiliate*" or "*Affiliates*" has the meaning ascribed to such term by Rule 501 promulgated under the Securities Act of 1933, as amended.

"*Award*" means, individually or collectively, a grant under the Plan of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights and Performance Share Awards.

"*Award Agreement*" means either (1) the written agreement setting forth the terms and provisions applicable to each Award granted under the Plan or (2) a statement (including an electronic communication) issued by the Company to a Participant describing the terms and provisions of such Award.

"*Board*" or "*Board of Directors*" means the Board of Directors of the Company, or any analogous governing body of any successor to the Company.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder.

"*Committee*" means the Compensation Committee of the Board or the committee of the Board appointed to administer the Plan.

"*Company*" means BRT Apartments Corp., a Maryland corporation.

"*Company Voting Stock*" has the meaning ascribed to such terms by Section 12.1(a).

"*Dividend Equivalent Right*" means an Award granted pursuant to Section 9, entitling the Participant to receive an amount of cash equal to the cash distributions that would have been paid on the Shares specified in the Award to which such Dividend Equivalent Right relates, as if such Shares had been issued to and held by the Participant holding such Dividend Equivalent Right during the period beginning with the grant date (or if otherwise determined by the Committee, the beginning of the Performance Cycle) of the Award to which the Dividend Equivalent Right relates through the vesting date of such award (or if otherwise determined by the Committee, the conclusion of such Performance Cycle).

"*Disability*" or "*Disabled*" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

"*Exercise Price*" means the price at which a Share may be purchased by a Participant pursuant to the exercise of an Option.

"*Fair Market Value*" means, as of any given date: (i) the closing sales price of the Shares on any national securities exchange on which the Shares are listed; (ii) the closing sales price if the Shares are listed on the OTCBB or other over the counter market; or (iii) if there is no regular public trading market for such Shares, the fair market value of the Shares as determined by the Committee.

"*Grant Date*" means, with respect to an Award, the effective date that such Award is granted to a Participant.

"*Incentive Stock Option*" means an Option to purchase Shares which is designated as an Incentive Stock Option and is intended to meet the requirements of Section 422 of the Code.

"*Incumbent Board*" has the meaning ascribed to such term by Section 12.1(b).

"*Non-management director*" means a director who, in the applicable calendar year, was not compensated, directly or indirectly, by the Company, any Subsidiary or any of their Affiliates, other than compensation for service as a director or as a member of any committee of the Board.

"*Non-qualified Stock Option*" means an Option to purchase Shares which is not an Incentive Stock Option.

"*Option*" means an Incentive Stock Option or a Nonqualified Stock Option.

"*Participant*" means an officer, employee, director or consultant of the Company or any of its Subsidiaries.

"*Performance Criteria*" shall mean any, a combination of, or all of the following: (i) pre-tax income, (ii) after-tax income, (iii) net income (meaning net income as reflected in the Company's financial reports for the applicable period), (iv) operating income (including net operating income), (v) cash flow, cash flow from operations, free cash flow and any one or more of the foregoing, (vi) return on any one or more of equity, capital, invested capital and assets, (vii) funds available for distribution, (viii) occupancy rate at any one or more of the Company's or its Subsidiaries' properties, (ix) total stockholder return, (x) funds from operations ("FFO"), as computed in accordance with standards established by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), (xi) adjusted FFO (*i.e*., adjusting FFO to give effect to any one or more of the following: straight-line rent, amortization of lease intangibles, lease termination fee income, amortization of restricted stock or other non-cash compensation expense, amortization and/or write-off of deferred financing costs, deferred mortgage costs and debt prepayment costs), (xii) stock appreciation (meaning an increase in the price or value of the Shares after the date of grant of an award and during the applicable period), (xiii) revenues, (xiv) assets, (xv) earnings before any one or more of the following items: interest, taxes, impairment charges, depreciation or amortization for the applicable period, as reflected in the Company's financial reports for the applicable period, (xvi) reduction in expense levels, (xvii) operating cost management and employee productivity, (xviii) strategic business criteria consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, cost targets and goals relating to acquisition or divestitures; (xix) achievement of business or operational goals such as market share and/or business development, and (xx) such other metrics or criteria as the Committee may establish or select. Performance Criteria need not be the same with respect to all Participants and may be established on an aggregate or per share basis (diluted or undiluted), may be based on performance compared to performance by businesses or indices specified by the Committee, may be compared to any prior period, may be based on a company-wide basis or in respect of any one or more business units, may be measured on an absolute or relative basis, may be adjusted for non-controlling interests, and any one or more of the foregoing. All calculations and financial accounting matters relevant to this Plan shall be determined in accordance with GAAP, except as otherwise directed by the Committee.

"*Performance-Based Award*" means an Award granted pursuant to Section 8 of the Plan.

“*Performance Cycle*” means one or more periods of time which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participants right to and the payment of a Restricted Stock Award, Restricted Stock Unit, Option or Performance Share Award.

“*Performance Goals*” means for a Performance Cycle, the applicable Performance Criteria.

“*Period of Restriction*” means the period during which an Award granted hereunder is subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of Performance Goals or the occurrence of other events as determined by the Committee.

“*Plan*” means the BRT Apartments Corp. 2020 Incentive Plan, as set forth in this instrument, and as hereafter amended from time to time.

“*Restricted Stock*” means an Award of Shares, the grant, issuance, retention and/or vesting of which is subject to such conditions as are expressed in the Award Agreement and as contemplated herein.

“*Restricted Stock Unit*” or “*RSU*” means an Award of a right to receive one Share, the grant, issuance, retention and/or vesting of which is subject to such conditions as are expressed in the Award Agreement and as contemplated herein.

“*Retirement*” means (i) a director who has attained the age of 65 years who resigns or retires from the Board or does not stand for re-election to the Board and has served continuously as a director of the Company for not less than six consecutive years, and (ii) an officer or employee of, or consultant to, the Company or one of its Subsidiaries who has attained the age of 65 years who resigns or retires from the Company or one of its Subsidiaries and has served in any such capacity with the Company or one of its Subsidiaries for not less than ten consecutive years at the time of retirement or resignation.

“*Shares*” means the shares of common stock, $0.01 par value, of the Company, or any other security of the Company determined by the Committee pursuant to Section 5.3.

“*Subsidiary*” means (i) a corporation, association or other business entity of which 50% or more of the total combined voting power of all classes of capital stock is owned, directly or indirectly, by the Company or by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company, (ii) any partnership or limited liability company of which 50% or more of the capital and profit interests is owned, directly or indirectly, by the Company or by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company, or (iii) any other entity not described in clauses (i) or (ii) above of which 50% or more of the ownership and the power, pursuant to a written contract or agreement, to direct the policies and management or the financial and the other affairs thereof, are owned or controlled by the Company or by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company.

SECTION 3
ELIGIBILITY

3.1 *Participants*. Awards may be granted in the discretion of the Committee to officers, employees, directors of, or consultants to the Company or its Subsidiaries.

3.2 *Non-Uniformity*. Awards granted hereunder need not be uniform among eligible Participants and may reflect distinctions based on title, compensation, responsibility or any other factor the Committee deems appropriate.

SECTION 4
ADMINISTRATION

4.1 *The Committee*. The Plan will be administered by the Committee, which, to the extent deemed necessary by the Board, will consist of two or more persons who satisfy the requirements for a “non-employee director” under Rule 16b-3 promulgated under the 1934 Act. The members of the Committee shall be appointed from time to time by, and shall serve at the pleasure of, the Board of Directors. In the absence of such appointment, the Board of

Directors shall serve as the Committee and shall have all of the responsibilities, duties, and authority of the Committee set forth herein.

4.2 *Authority of the Committee*. Subject to applicable law, the Committee shall have the exclusive authority to administer and construe the Plan in accordance with its provisions. The Committee's authority shall include, without limitation, the power to (a) determine persons eligible for Awards, (b) prescribe the terms and conditions of the Awards, (c) construe and interpret the Plan, the Awards and any Award Agreement, (d) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith and (e) establish, interpret, amend or revoke any such rules. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more officers of the Company to the extent permitted by law.

4.3 *Decisions Binding*. All determinations and decisions made by the Committee and any of its delegatees pursuant to Section 4.2 shall be final, conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

4.4 *Limitation on Awards Granted to Non-management directors*. The maximum number of Shares issuable pursuant to Awards that may be granted to a Non-management director in any calendar year shall not exceed 10,000 Shares.

SECTION 5
SHARES SUBJECT TO THE PLAN

5.1 *Number of Shares*. Subject to adjustment as provided in Section 5.3, the total number of Shares available for grant under the Plan shall not exceed 1,000,000 Shares. The Shares available for issuance under the Plan shall be authorized but unissued Shares of the Company.

5.2 *Lapsed Awards*. Unless determined otherwise by the Committee, Shares related to Awards that are forfeited, cancelled, terminated or expire unexercised, shall be available for grant under the Plan. Shares that are tendered by a Participant to the Company in connection with the exercise of an Award, withheld from issuance in connection with a Participant's payment of tax withholding liability, or settled in such other manner so that a portion or all of the Shares included in an Award are not issued to a Participant shall not be available for grant under the Plan.

5.3 *Adjustments in Awards and Authorized Shares*. In the event of a stock dividend or stock split, the number of Shares subject to the Plan, outstanding Awards and the numerical amounts set forth in Sections 5, 6, 7 and 8 shall automatically be adjusted proportionally to prevent the dilution or diminution of such Awards, except to the extent directed otherwise by the Committee. In the event of a merger, reorganization, consolidation, recapitalization, separation, liquidation, combination or other similar change in the structure of the Company affecting the Shares, the Committee shall adjust the number and class of Shares which may be delivered under the Plan, the number, class and price of Shares subject to outstanding Awards, and the numerical limits of Sections 5, 6, 7 and 8 in such manner as the Committee shall determine to be advisable or appropriate to prevent the dilution or diminution of such Awards. Any such numerical limitations shall be subject to adjustment under this Section only to the extent such adjustment will not affect the ability to grant or the qualification of Incentive Stock Options under the Plan or subject the Participant to taxes, penalties and interest imposed under section 409A(a)(1) of the Code.

5.4 *Restrictions on Transferability*. The Committee may impose such restrictions on any Award, Award of Shares or Shares acquired pursuant to an Award as it deems advisable or appropriate, including, but not limited to, restrictions related to applicable Federal securities laws, the requirements of any national securities exchange or system upon which Shares are then listed or traded, and any blue sky or state securities laws.

SECTION 6
STOCK OPTIONS

6.1 *Grant of Options*. Subject to the terms and provisions of the Plan, Options may be granted to Participants at any time and from time to time as determined by the Committee. The Committee shall determine the number of Shares subject to each Option. The Committee may grant Incentive Stock Options, Nonqualified Stock Options, or any combination thereof. The maximum aggregate number of Shares underlying Options granted in any one calendar year to an individual Participant is 50,000.

6.2 *Award Agreement*. Each Option shall be evidenced by an Award Agreement that shall specify the Exercise Price, the expiration date of the Option, the number of Shares to which the Option pertains, whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option, any conditions on exercise of the Option and such other terms and conditions as the Committee shall determine, including terms regarding forfeiture of Awards or continued exercisability of Awards in the event of termination of employment by the Participant.

6.3 *Exercise Price*. The Exercise Price for each Option shall be determined by the Committee and shall be provided in each Award Agreement; *provided*, *however*, the Exercise Price for each Option may not be less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date. In the case of an Incentive Stock Option, the Exercise Price shall be not less than one hundred ten percent (110%) of the Fair Market Value of a Share if the Participant (together with persons whose stock ownership is attributed to the Participant pursuant to section 424(d) of the Code) owns on the Grant Date stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries.

6.4 *Expiration of Options*. Except as provided in Section 6.7(c) regarding Incentive Stock Options, each Option shall terminate upon the earliest to occur of (i) the date(s) for termination of the Option set forth in the Award Agreement or (ii) the expiration of ten (10) years from the Grant Date. Subject to such limits, the Committee shall provide in each Award Agreement when each Option expires and becomes un-exercisable. Except as set forth in an Award Agreement or as provided by the Committee, upon Retirement of a Participant, an Option may be exercised by such Participant to the extent it was exercisable on the effective date of the Retirement and shall be exercisable for a period of six months from the effective date of such Retirement, but not later than the expiration of the maximum term such Option. The Committee may not, after an Option is granted, extend the maximum term of the Option.

6.5 *Exercisability of Options*. Options granted under the Plan shall be exercisable, in whole or in part, at such times and be subject to such restrictions and conditions as the Committee shall determine. After an Option is granted, the Committee may accelerate or waive any condition constituting a substantial risk of forfeiture applicable to the Option.

6.6 *Payment*. Options shall be exercised by a Participant's delivery of a written notice of exercise to the Secretary of the Company (or his or her designee), setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. Upon the exercise of an Option, the Exercise Price shall be payable to the Company in full in cash or its equivalent. The Committee may permit exercise (a) by the Participant tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price, (b) the Participant tendering a combination of cash and previously acquired Shares equal to total Exercise Price (the Shares tendered being valued at Fair Market Value at the time of exercise), or (c) by any other means which the Committee determines to provide legal consideration for the Shares, and to be consistent with the purposes of the Plan. As soon as practicable after receipt of a written notification of exercise and full payment for the Shares purchased, the Company shall deliver, or cause to be delivered, to the Participant, evidence of such Participant's ownership of such Shares. No right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares as to which the Option has been exercised until the records of the Company or its transfer agent reflect the issuance of such Shares. No adjustment will be made for a dividend or other rights for which a record date is established prior to the date the records of the Company or its transfer agent reflect the issuance of the Shares upon exercise of the Options.

6.7 *Certain Additional Provisions for Incentive Stock Options*.

(a) *Exercisability*. The aggregate Fair Market Value (determined on the Grant Date(s)) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company, any parent and its Subsidiaries) shall not exceed $100,000. The portion of the Option which is in excess of the $100,000 limitation shall be treated as a Non-Qualified Option pursuant to Section 422(d)(1) of the Code.

(b) *Company and Subsidiaries Only*. Incentive Stock Options may be granted only to Participants who are officers or employees of the Company or a Subsidiary on the Grant Date.

(c) *Expiration*. No Incentive Stock Option may be exercised after the expiration of ten (10) years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Participant who (together with persons whose stock ownership is attributed to the Participant pursuant to Section 424(d) of the Code) owns on the Grant Date stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the term of such Incentive Stock Option shall be no more than five years from the Grant Date.

6.8 *Restriction on Transfer*. Except as otherwise determined by the Committee or as set forth in the Award Agreement, no Option may be transferred, gifted, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily. Upon the death or Disability of a Participant, an Option may be exercised by the duly appointed personal representative of the deceased Participant or in the event of a Disability by the Participant or the duly appointed attorney-in-fact, guardian or custodian of the Disabled Participant to the extent the Option was exercisable on the date of death or the date of Disability and shall be exercisable for a period of six months from the date of death or the date of Disability.

6.9 *Repricing of Options*. Without stockholder approval, (i) the Company will not reprice, replace or regrant an outstanding Option either in connection with the cancellation of such Option or by amending an Award Agreement to lower the exercise price of such Option, and (ii) the Company will not cancel outstanding Options in exchange for cash or other Awards.

6.10 *Voting Rights*. A Participant shall have no voting rights with respect to any Options granted hereunder.

SECTION 7
RESTRICTED STOCK AND RESTRICTED STOCK UNITS

7.1 *Grant of Restricted Stock and Restricted Stock Units*. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or RSUs to Participants in such amounts as the Committee shall determine. The Committee shall determine the number of Shares of Restricted Stock and/or RSUs to be granted to each Participant and the time when each Award shall be granted. No more than 100,000 Shares of each of Restricted Stock and Shares underlying RSUs may be granted to any individual Participant in any one calendar year.

7.2 *Restricted Stock and RSU Agreements*. Each Award of Restricted Stock and RSUs shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares of Restricted Stock granted, the number of Shares subject to an RSU, any applicable Performance Goals and Performance Cycle, and such other terms and conditions as the Committee shall determine, including terms regarding forfeiture of Awards in the event of termination of employment by the Participant or termination of the Participant's relationship with the Company as a director, officer or consultant.

7.3 *Transferability*. Except as otherwise determined by the Committee or as set forth in the Award Agreement, Shares of Restricted Stock and RSUs (including Shares underlying RSUs) may not be sold, transferred, gifted, bequeathed, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily, until the end of the applicable Period of Restriction and the satisfaction, in whole or in part, of any applicable Performance Goals within the applicable Performance Cycle. Except as otherwise determined by the Committee or as set forth in the Award Agreement, in the event of the death, Disability or Retirement of a Participant, all unvested Restricted Stock and unvested RSUs will not vest on the date of death or Disability or the effective date of Retirement. Without stockholder approval, the Company will not, except as otherwise provided for in the Plan, repurchase outstanding unvested Restricted Stock or unvested RSUs in exchange for cash.

7.4 *Other Restrictions*. The Committee may impose such other restrictions on Shares of Restricted Stock and RSUs (including Shares underlying RSUs) as it may deem advisable or appropriate in accordance with this Section 7.4.

(a) *General Restrictions*. The Committee may set one or more restrictions based upon (a) the achievement of specific Performance Goals, (b) applicable Federal or state securities laws, (c) time-based restrictions, or (d) any other restrictions determined by the Committee.

(b) *Methods of Implementing Restrictions*. The Committee may take such action as it, in its sole discretion, deems appropriate to give notice to the Participant of, and implement, the restrictions imposed pursuant to Section 7.

7.5 *Removal of Restrictions*. After the end of the Period of Restriction, the Shares (including the Shares underlying the RSUs) shall be freely transferable by the Participant, subject to any other restrictions on transfer (including without limitation, limitations imposed pursuant to the Company's organizational documents) which may apply to such Shares.

7.6 *Voting Rights*. Except as otherwise determined by the Committee and set forth in the Award Agreement, Participants holding (a) Shares of Restricted Stock shall have voting rights during the Period of Restriction and (b) RSUs shall not have voting rights during the Period of Restriction.

7.7 *Dividends and Other Distributions*. Except as otherwise determined by the Committee and set forth in the Award Agreement, Participants holding (a) Shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to the Shares during the Period of Restriction and (b) except to the extent a Dividend Equivalent Right is granted in tandem with an RSU, RSUs shall not be entitled to receive any dividends or other distributions paid with respect to the underlying Shares during the Period of Restriction.

SECTION 8
PERFORMANCE-BASED AWARDS

8.1 *Performance-Based Awards.* Participants selected by the Committee may be granted one or more Performance Awards in the form of Options, Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights or Performance Share Awards payable upon the attainment of Performance Goals that are established by the Committee and related to one or more of the Performance Criteria, in each case on a specified date or dates or over a Performance Cycle as determined by the Committee. The Committee shall define the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of an individual. The Committee, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Cycle in order to prevent the dilution or enlargement of the rights of an individual (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development, (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; *provided, however*, that the Committee may not exercise such discretion in a manner that would increase the Performance-Based Award granted to a Participant. Performance Awards, other than Dividend Equivalent Rights, shall be paid in Shares.

8.2 *Grant of Performance-Based Awards*. With respect to each Performance-Based Award granted to a Participant, the Committee shall select, within the first 180 days of the beginning of a Performance Cycle, the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including, if applicable, a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Committee may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Participants.

8.3 *Payment of Performance-Based Awards*. Following the completion of a Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle.

8.4 *Maximum Award Payable*. The maximum Performance-Based Award payable to any one Participant under the Plan for a Performance Cycle is 100,000 Shares (subject to adjustment as provided in Section 5.3 hereof).

SECTION 9
DIVIDEND EQUIVALENT RIGHTS

9.1 *Dividend Equivalent-Rights.* A Dividend Equivalent Right may be granted hereunder to any Participant only in tandem with an Award of RSUs or a Performance Based Award (other than an Award of Restricted Stock or Options). The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement which shall provide that such Dividend Equivalent Right, except to the extent otherwise provided in the related Award

Agreement, shall (i) not be sold, transferred, gifted, bequeathed, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily, until the end of the applicable Period of Restriction and the satisfaction, in whole or in part, of any applicable Performance Goals within the applicable Performance Cycle, and (ii) be settled upon settlement or payment of, or lapse of restrictions on, the Award to which it relates, and such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such Award.

SECTION 10
AMENDMENT, TERMINATION, AND DURATION

10.1 *Amendment, Suspension, or Termination*. The Board, in its sole discretion, may amend, suspend or terminate the Plan, or any part thereof, at any time and for any reason; *provided*, *however*, that if and to the extent required by law or to maintain the Plan's compliance with the Code, the rules of any national securities exchange (if applicable), or any other applicable law, any such amendment shall be subject to stockholder approval. The amendment, suspension or termination of the Plan shall not, without the consent of the Participant, alter or impair any rights or obligations under any Award theretofore granted to such Participant. No Award may be granted during any period of suspension or after termination of the Plan.

10.2 *Duration of the Plan*. The Plan shall become effective in accordance with Section 1.1, and subject to Section 10.1, shall remain in effect until the tenth anniversary of the effective date of the Plan.

SECTION 11
TAX WITHHOLDING

11.1 *Withholding Requirements*. Prior to the delivery of any Shares pursuant to an Award (or the exercise thereof), the Company shall have the power and the right to deduct or withhold from any amounts due to the Participant from the Company, or require a Participant to remit to the Company, an amount sufficient to satisfy Federal, state and local taxes (including the Participant's FICA obligation) required or appropriate to be withheld with respect to such Award (or the exercise or vesting thereof).

11.2 *Withholding Arrangements*. The Company, pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part, by (a) electing to have the Company withhold otherwise deliverable Shares, or (b) delivering to the Company, Shares then owned by the Participant. The amount of the withholding requirement shall be deemed to include any amount that the Company agrees may be withheld at the time any such election is made, not to exceed the amount determined by using the maximum federal, state and local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered shall be determined as of the date that the taxes are required to be withheld.

SECTION 12
CHANGE IN CONTROL

12.1 *Change in Control*. For purposes of the Plan, a Change in Control means any of the following:

(a) the acquisition (other than from the Company) in one or more transactions by any person (as such term is used in Section 13(d) of the 1934 Act) of the beneficial ownership (within the meaning of Rule 13d-3 under the 1934 Act) of 25% or more of (i) the then outstanding Shares or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the *"Company Voting Stock"*); *provided, however,* the provision of this Section 12.1(a) is not applicable to acquisitions made individually, or as a group, by Fredric H. Gould, Matthew J. Gould and Jeffrey A. Gould, and their respective spouses, lineal descendants and Affiliates;

(b) individuals who, as of the date of the Award, constitute the Board of Directors (the *"Incumbent Board"*) cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the date of such Award whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Regulation 14A promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board;

(c) the closing of a sale or other conveyance of all or substantially all of the assets of the Company; or

(d) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company if immediately after such transaction persons who hold a majority of the outstanding voting securities entitled to vote generally in the election of directors of the surviving entity (or the entity owning 100% of such surviving entity) are not persons who, immediately prior to such transaction, held the Company's voting Shares.

12.2 *Effect of Change of Control*. On the effective date of any Change in Control, unless the applicable Award Agreement provides otherwise: (i) in the case of an Option, each such outstanding Option shall become exercisable in full in respect of the aggregate number of Shares covered thereby; and (ii) in the case of Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights and Performance Share Awards, the Period of Restriction applicable to each such Award shall be deemed to have expired. Notwithstanding the foregoing, unless otherwise provided in the applicable Award Agreement, the Committee may, in its discretion, determine that any or all outstanding Awards of any or all types granted pursuant to the Plan will not become exercisable on an accelerated basis nor will the Restriction Period expire in connection with a Change of Control if effective provision has been made for the taking of such action which, in the opinion of the Committee, is equitable and appropriate to substitute a new Award for such Award or for the assumption of such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the exercisability or the expiration of the Restriction Period), taking into account, to the extent applicable, the kind and amount of securities, cash, or other assets into or for which the Shares may be changed, converted, or exchanged in connection with such Change of Control.

SECTION 13
MISCELLANEOUS

13.1 *Deferrals*. To the extent consistent with the requirements of section 409A of the Code, the Committee may provide in an Award Agreement or another document that a Participant is permitted or required to defer receipt of the delivery of Shares that would otherwise be due to such Participant under an Award, other than an Option, any such deferral shall be subject to such rules and procedures as shall be determined by the Committee.

13.2 *Termination for Cause*. If a Participant's employment or relationship with the Company or a Subsidiary shall be terminated for cause by the Company or such Subsidiary during the Restriction Period or prior to the exercise of any Option (for these purposes, cause shall have the meaning ascribed thereto in any employment agreement or Award Agreement to which such Participant is a party or, in the absence thereof, shall include, but not be limited to, insubordination, dishonesty, incompetence, moral turpitude, the refusal to perform his duties and responsibilities for any reason (other than illness or incapacity) and other misconduct of any kind, as determined by the Committee), then, (i) all Options (whether or not then vested and exercisable) shall immediately terminate and (ii) such Participant's rights to all Restricted Stock, RSUs, Dividend Equivalent Rights and Performance Share Awards shall be forfeited immediately.

13.3 *No Effect on Employment or Service*. Nothing in the Plan, any Award or any Award Agreement, and no action of the Committee, shall confer or be construed to confer on any Participant any right to continue in the employ or service of the Company or any Subsidiary or shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment or service at any time, with or without cause. Employment with the Company or any Subsidiary is on an at-will basis only, unless otherwise provided by an applicable employment or service agreement between the Participant and the Company or any Subsidiary, as the case may be.

13.4 *Successors*. All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect merger, consolidation or otherwise, or the purchase of all or substantially all of the business or assets of the Company.

13.5 *No Rights as Stockholder*. Except to the limited extent provided in Sections 7.6 and 7.7, no Participant (nor any beneficiary thereof) shall have any of the rights or privileges of a stockholder of the Company with respect to any Shares issuable pursuant to an Award (or the exercise or vesting thereof), unless and until the issuance of such Shares shall have been recorded on the records of the Company or its transfer agents or registrars.

13.6 *Uncertificated Shares*. Notwithstanding any provision of the Plan to the contrary, the ownership of Shares issued under the Plan may be evidenced in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or the issuance of one or more share certificates, and to the extent that the Plan, applicable law or the Company's organizational documents, require or contemplate the imposition of a legend or other notation on one or more certificates evidencing Shares or an Award, the Committee shall have the sole discretion to determine the manner in which such legend or notation is implemented.

13.7 *Fractional Shares*. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, or Awards, or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

13.8 *Severability*. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

13.9 *Requirements of Law; Claw-Back Policies*. The grant of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required from time to time, and shall be subject to the applicable provisions of any claw-back policy implemented by the Company, whether implemented prior to or after the grant of such Award, including without limitation, any claw-back policy adopted to comply with the requirements of applicable law (including the requirements of a national securities exchange).

13.10 *Securities Law Compliance*. To the extent any provision of the Plan, Award Agreement or action by the Committee fails to comply with any applicable federal or state securities law, it shall be deemed null and void, to the extent permitted by law and deemed advisable or appropriate by the Committee.

13.11 *Real Estate Investment Trust*. No Award shall be granted or awarded and, with respect to any Award granted under the Plan, such Award shall not vest, be exercisable or be settled, to the extent that the grant, vesting, exercise or settlement of such Award could cause the Participant or any other person to be in violation of any restrictions on ownership and transfer of the Company's securities set forth in its articles of incorporation or other governing instrument or organizational documents, as amended, and in effect from time to time, or if, in the discretion of the Committee, the grant, vesting, exercise or settlement of such award could otherwise impair the Company's status as a real estate investment trust under the Code.

13.12 *Governing Law*. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Maryland.

13.13 *Captions*. Captions are provided herein for convenience of reference only, and shall not serve as a basis for interpretation or construction of the Plan.

EXHIBIT 31.1
CERTIFICATION

I, Jeffrey A. Gould, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of BRT Apartments Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

Date: November 6, 2020

/s/ Jeffrey A. Gould

Jeffrey A. Gould
President and
Chief Executive Officer

EXHIBIT 31.2
CERTIFICATION

I, David W. Kalish, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of BRT Apartments Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

Date: November 6, 2020

/s/ David W. Kalish
David W. Kalish
Senior Vice President - Finance

EXHIBIT 31.3
CERTIFICATION

I, George Zweier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of BRT Apartments Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

Date: November 6, 2020

/s/ George Zweier
George Zweier
Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, Jeffrey A. Gould, do hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of BRT Apartments Corp. ("the Registrant"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

Date: November 6, 2020

/s/ Jeffrey A. Gould
Jeffrey A. Gould
President and
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF SENIOR VICE PRESIDENT-FINANCE

PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, David W. Kalish, do hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of BRT Apartments Corp. (“the Registrant”), as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

Date: November 6, 2020

/s/ David W. Kalish
David W. Kalish
Senior Vice President - Finance

EXHIBIT 32.3

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, George Zweier, do hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of BRT Apartments Corp. ("the Registrant"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

Date: November 6, 2020

/s/ George Zweier
George Zweier
Vice President and
Chief Financial Officer