

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

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

Date of Report (Date of earliest event reported): May 10, 2017

BRT APARTMENTS CORP.
(Exact name of Registrant as specified in charter)

<u>Maryland</u>	<u>001-07172</u>	<u>13-2755856</u>
(State or other jurisdiction of incorporation)	(Commission file No.)	(IRS Employer I.D. No.)

<u>60 Cutter Mill Road, Suite 303, Great Neck, New York</u>	<u>11021</u>
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code 516-466-3100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

☐ 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. ☐

Item 2.02 and Item 7.01. Results of Operations and Financial Condition; Regulation FD Disclosure.

On May 10, 2017, we issued a press release announcing our results of operations for the three months ended March 31, 2017. In addition, we made available supplemental financial information with respect to our activities for the periods set forth in the supplemental information. Copies of the press release and the supplemental financial information are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference, including the information included in Exhibits 99.1 and 99.2 attached hereto. The information in this Item 2.02 and 7.01, including the information included in Exhibits 99.1 and 99.2, shall not be deemed to be “filed” for purposes of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and shall not be incorporated by reference into any registration statement or other document filed under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

<u>No.</u>	<u>Description</u>
99.1	Press release dated May 10, 2017.
99.2	Supplemental Financial Information.

SIGNATURE

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

BRT APARTMENTS CORP.

May 10, 2017

By: /s/ David W. Kalish

David W. Kalish

Senior Vice President - Finance

**BRT APARTMENTS CORP. REPORTS
SECOND FISCAL QUARTER RESULTS
FOR MARCH 31, 2017**

**- Continued Growth in Rental Income over the Second Fiscal Quarter of Prior Year -
- Occupancy of 93.3% -**

Great Neck, New York - May 10, 2017 - BRT APARTMENTS CORP. (NYSE:BRT), formerly known as BRT Realty Trust, today announced operating results for the three months ended March 31, 2017, the Company's second quarter of fiscal 2017.

Jeffrey A. Gould, President and Chief Executive Officer, stated: "Our acquisitions team continues to source high quality properties as evidenced by our most recent purchases in the St. Louis area, completed with joint venture partners. With our targeted approach to growth, we look ahead to creating additional value for stockholders in the coming years."

Financial Results:

Net loss attributable to common stockholders was \$4.2 million, or \$0.30 per diluted share, for the current three months, compared to net income of \$24.9 million, or \$1.76 per diluted share, for the three months ended March 31, 2016. Net income for the 2016 period reflects significant gains from sales of multi-family properties and the sale of BRT's interest in the Newark Joint Venture.

Funds from Operations, or FFO, for the three months ended March 31, 2017 was \$1.8 million, or \$0.12 per diluted share, compared to \$2.2 million, or \$0.15 per diluted share, in the second quarter of 2016. The decrease in FFO is due to the recognition, in the 2016 quarter, of deferred interest income from the Newark Joint Venture of \$1.9 million, or \$0.14 per diluted share, offset primarily by \$953,000, or \$0.07 per diluted share, of property acquisition costs expensed in the 2016 quarter. Further, the current quarter reflects growth in rental income of \$709,000, or \$0.05 per diluted share, over the 2016 quarter. Adjusted Funds from Operations, or AFFO, for the three months ended March 31, 2017 was \$2.3 million, or \$0.16 per diluted share, compared to \$3.8 million, or \$0.25 per diluted share, in the 2016 quarter. AFFO decreased due primarily to the add-back, in the 2016 quarter, of the \$2.7 million loss on extinguishment of debt incurred in connection with profitable property sales, of which \$1.6 million, or \$0.11 per diluted share, was allocable to non-controlling interests. A description and reconciliation of non-GAAP financial measures to GAAP financial measures is presented later in this release.

Operating Results:

As of March 31, 2017, BRT owns 32 multi-family properties, with 8,805 units, including 271 units in lease-up, located across 11 states. Many of these properties are owned through consolidated joint ventures in which BRT generally owns an 80% equity interest. Average total occupancy at the stabilized properties during the quarter was 93.3%. Our average rental rate per occupied unit during the quarter was \$906 per month.

Rental and other revenues from real estate properties for the current three months increased 2.9% to \$24.7 million from \$24.0 million for the quarter ended March 31, 2016. Total revenues were \$24.9 million in the current quarter compared to \$26.0 million in the 2016 quarter due primarily to the recognition, in the 2016 quarter, of \$1.9 million of deferred interest income.

Total expenses for the quarter ended March 31, 2017 were \$28.5 million compared to \$27.0 million for the quarter ended March 31, 2016. Contributing to the increase was approximately \$2.1 million of additional depreciation from the ten multi-family properties acquired since January 2016.

Income (loss) from continuing operations, net of taxes, for the quarter ended March 31, 2017 was \$(4.7) million, or \$(0.34) per diluted share, compared to \$20.6 million, or \$1.46 per diluted share, in the quarter ended March 31, 2016. The current quarter includes a \$1.1 million provision for state taxes related to gains recognized on sales of multi-family properties.

Portfolio Activity:

As previously disclosed, during the current quarter, the Company acquired, with joint venture partners, two multi-family properties in St. Louis, Missouri, with an aggregate of 181 units for \$35.0 million, including mortgage debt of \$26.2 million obtained in connection with the acquisitions. In April 2017, the Company acquired, with a joint venture partner, a 174 unit multi-family property, also located in the St. Louis area, for \$39.6 million, including mortgage debt of \$29.0 million obtained in connection with the acquisition. The three properties represent high caliber acquisitions that are representative of the quality of product that the Company is adding to its portfolio.

Balance Sheet:

At March 31, 2017, BRT had \$43.1 million of cash and cash equivalents, total assets of \$870.5 million, total debt of \$640.1 million and total stockholders' equity of \$166.6 million.

At May 1, 2017, BRT had approximately \$34.3 million of cash and cash equivalents.

Non-GAAP Financial Measures:

BRT discloses FFO and AFFO because it believes that such metrics are widely recognized and appropriate measure of the performance of an equity REIT.

BRT computes 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 (loss) (computed in accordance with generally accepting accounting principles), excluding gains (or losses) from sales of property, plus depreciation and amortization, plus impairment write-downs of depreciable real estate and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis. In computing FFO, BRT does not add back to net income the amortization of costs in connection with its financing activities or depreciation of non-real estate assets. BRT computes AFFO by adjusting FFO for loss on extinguishment of debt; straight-line rent accruals; restricted stock and restricted stock unit expense and deferred mortgage costs (including its share of its unconsolidated joint ventures). Since the NAREIT White Paper only provides guidelines for computing FFO, the computation of AFFO may vary from one REIT to another.

BRT believes 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 assures that the value of real estate assets diminish predictability over time. In fact, real estate values have historically risen and fallen with market conditions. As a result, BRT believes 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. BRT also considers FFO and AFFO to be useful 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 BRT's performance, management is careful to examine GAAP measures such as net income (loss) and cash flows from operating, investing and financing activities. Management also reviews the reconciliation of net income (loss) to FFO and AFFO.

Forward Looking Information:

Certain information contained herein is forward looking 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, including statements regarding the apparent improvement in the economic environment and BRT's ability to originate additional loans. BRT intends 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 includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "believe," "expect," "intend," "anticipate," "estimate," "project," "apparent," "experiencing" or similar expressions or variations thereof. Forward looking statements, including statements with respect to BRT's multi-family property acquisition and ownership activities, involve known and unknown risks, uncertainties and other factors, which, in some cases, are beyond BRT's control and could materially affect actual results, performance or achievements. Investors are cautioned not to place undue reliance on any forward-looking statements and to carefully review the section entitled "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2016.

Additional Information:

BRT is a real estate investment trust that owns, operates and develops multi-family properties, and owns, operates and develops other commercial and mixed use real estate assets. Interested parties are urged to review the Form 10-Q filed with the Securities and Exchange Commission for the quarter ended March 31, 2017 and the supplemental disclosures regarding the quarter on the investor relations section of the Company's website at: http://brtrealty.com/investor_relations for further details. The Form 10-Q can also be linked through the "Investor Relations" section of BRT's website. For additional information on BRT's operations, activities and properties, please visit its website at www.brtrealty.com.

Contact: Investor Relations - (516) 466-3100

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BRT APARTMENTS CORP. AND SUBSIDIARIES
CONDENSED BALANCE SHEETS
(Dollars in thousands)

	March 31, 2017 (Unaudited)	September 30, 2016
ASSETS		
Real estate properties, net of accumulated depreciation	\$ 781,114	\$ 759,576
Real estate loan	5,900	19,500
Cash and cash equivalents	43,147	27,399
Restricted cash	6,619	7,383
Other assets	33,740	27,045
Real estate asset held for sale	—	33,996
Total Assets	<u>\$ 870,520</u>	<u>\$ 874,899</u>
LIABILITIES AND EQUITY		
Mortgages payable, net of deferred costs	\$ 603,133	\$ 588,457
Junior subordinated notes, net of deferred costs	37,008	36,998
Accounts payable and accrued liabilities	13,467	20,716
Mortgage payable held for sale	—	27,052
Total Liabilities	<u>653,608</u>	<u>673,223</u>
Total BRT Apartments Corp. shareholders' equity	166,614	151,290
Non-controlling interest	50,298	50,386
Total Equity	<u>216,912</u>	<u>201,676</u>
Total Liabilities and Equity	<u>\$ 870,520</u>	<u>\$ 874,899</u>

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2017	2016	2017	2016
Revenues:				
Rental and other revenues from real estate properties	\$ 24,702	\$ 23,993	\$ 49,731	\$ 46,312
Other income	181	2,026	792	2,033
Total revenues	24,883	26,019	50,523	48,345
Expenses:				
Real estate operating expenses	11,909	12,097	24,355	23,191
Interest expense	6,402	6,049	13,089	11,580
Advisor's fees, related party	—	—	—	693
Property acquisition costs	—	953	—	1,010
General and administrative	2,390	2,280	4,987	4,029
Depreciation	7,772	5,632	14,069	10,616
Total expenses	28,473	27,011	56,500	51,119
Total revenue less total expenses	(3,590)	(992)	(5,977)	(2,774)
Gain on sale of real estate	—	24,226	35,838	24,835
Loss on extinguishment of debt	—	(2,668)	(799)	(2,668)
(Loss) income from continuing operations	(3,590)	20,566	29,062	19,393
Provision for taxes	1,108	—	1,458	—
(Loss) income from continuing operations, net of taxes	(4,698)	20,566	27,604	19,393
Income from discontinued operations	—	14,279	—	12,679
Net (loss) income	(4,698)	34,845	27,604	32,072
Net loss (income) attributable to non-controlling interests	469	(9,909)	(16,063)	(9,170)
Net income (loss) attributable to common stockholders	\$ (4,229)	\$ 24,936	\$ 11,541	\$ 22,902
Basic and diluted per share amounts attributable to common stockholders:				
(Loss) income from continuing operations	\$ (0.30)	\$ 0.75	\$ 0.83	\$ 0.72
Income from discontinued operations	—	1.01	—	0.90
Basic and diluted (loss) earnings per share	\$ (0.30)	\$ 1.76	\$ 0.83	\$ 1.62
Funds from operations - Note 1	\$ 1,750	\$ 2,176	\$ 3,636	\$ 3,828
Funds from operations per common share - diluted - Note 2	\$ 0.12	\$ 0.15	\$ 0.26	\$ 0.27
Adjusted funds from operations - Note 1	\$ 2,302	\$ 3,771	\$ 5,165	\$ 6,037
Adjusted funds from operations per common share - diluted - Note 2	\$ 0.16	\$ 0.25	\$ 0.37	\$ 0.42
Weighted average number of common shares outstanding:				
Basic and diluted	14,018,099	14,132,235	13,957,706	14,116,560

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2017	2016	2017	2016
Note 1:				
Funds from operations is summarized in the following table:				
GAAP Net (loss) income attributable to common shareholders	\$ (4,229)	\$ 24,936	\$ 11,541	\$ 22,902
Add: depreciation of properties	7,772	6,104	14,069	11,765
Add: our share of depreciation in unconsolidated joint ventures	130	5	213	10
Add: amortization of deferred leasing costs	—	1	—	15
Deduct: gain on sale of real estate	—	(39,693)	(35,838)	(40,302)
Adjustments for non-controlling interests	(1,923)	10,823	13,651	9,438
NAREIT Funds from operations attributable to common shareholders	\$ 1,750	\$ 2,176	\$ 3,636	\$ 3,828
Adjustments for straight line rent accruals	(14)	(67)	(36)	(129)
Add: loss on extinguishment of debt	—	2,668	799	2,668
Add: amortization of restricted stock and restricted stock units	386	188	710	418
Add: amortization of deferred mortgage costs	224	483	525	1,168
Adjustments for non-controlling interests	(44)	(1,677)	(469)	(1,916)
Adjusted funds from operations attributable to common shareholders	\$ 2,302	\$ 3,771	\$ 5,165	\$ 6,037
Note 2:				
Funds from operations per share is summarized in the following table:				
GAAP Net (loss) income attributable to common shareholders	\$ (0.30)	\$ 1.76	\$ 0.83	\$ 1.62
Add: depreciation of properties	0.55	0.43	1.01	0.83
Add: our share of depreciation in unconsolidated joint ventures	0.01	—	0.02	—
Add: amortization of deferred leasing costs	—	—	—	—
Deduct: gain on sale of real estate asset	—	(2.81)	(2.58)	(2.85)
Adjustments for non-controlling interests	(0.14)	0.77	0.98	0.67
NAREIT Funds from operations per common share basic and diluted	0.12	0.15	0.26	0.27
Adjustments for straight line rent accruals	—	(0.01)	—	(0.01)
Add: loss on extinguishment of debt	—	0.19	0.06	0.19
Add: amortization of restricted stock and restricted stock units	0.03	0.01	0.05	0.03
Add: amortization of deferred mortgage costs	0.02	0.03	0.04	0.08
Adjustments for non-controlling interests	(0.01)	(0.12)	(0.04)	(0.14)
Adjusted funds from operations per common share basic and diluted	\$ 0.16	\$ 0.25	\$ 0.37	\$ 0.42



A NATIONAL MULTI-FAMILY EQUITY REIT
SERVING OUR CUSTOMERS FOR OVER 35 YEARS

Supplemental Information
Quarter Ended March 31, 2017



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The information presented herein speaks only as of the date or periods indicated, and we do not undertake any obligation, and disclaim any duty, to update any of this information. Our future financial performance is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect our future financial results are discussed more fully in our reports on Form 10-K, Form 10-Q, and Form 8-K filed with the SEC and in particular, the sections of such reports identified as “Risk Factors”. Readers are advised to refer to these reports for additional information concerning our activities.

We are an internally managed real estate investment trust, also known as a REIT, that is primarily focused on the ownership, operation and development of multi-family properties. These activities are primarily conducted through joint ventures in which we typically have an 80% equity interest in the entity owning the property.

At March 31, 2017, we own 32 multi-family properties (four of which are wholly owned), located in 11 states with an aggregate of 8,805 units, including a 271 unit multi-family property in lease up. Most of our properties are located in the Southeast United States and Texas. We commenced our multi-family activities in March 2012.

BRT Market Information, Per Share Data, and Portfolio Data

APARTMENTS CORP.
NYSE: BRT

	As of March 31,		Fiscal Year ended September 30,		
	2017	2016	2016	2015	2014
Market Information					
Market capitalization	\$ 116,677,054	\$ 97,115,867	\$ 111,190,680	\$ 99,976,487	\$ 107,273,903
Shares outstanding	14,040,560	13,973,506	13,898,835	14,101,056	14,303,187
Closing share price	\$ 8.31	\$ 6.95	\$ 8.00	\$ 7.09	\$ 7.50
Portfolio					
Multi family properties owned	32	31	33	28	27
Units	8,805	8,793	9,420	8,300	7,609
Average occupancy (1)	93.3%	92.1%	92.8%	94.5%	94.0%
Average total revenue per occupied unit (1)	\$ 906	\$ 861	\$ 852	\$ 810	\$ 785
Per Share Data					
	Quarter ended March 31,		Year ended September 30,		
	2017 (Unaudited)	2016 (Unaudited)	2016	2015	2014
Earnings per share (basic and diluted)	\$ (0.30)	\$ 1.76	\$ 2.23	\$ (0.17)	\$ (0.66)
FFO per common share (2) (3)	\$ 0.12	\$ 0.15	\$ 0.47	\$ 0.24	\$ 0.16
AFFO per common share (2) (4)	\$ 0.16	\$ 0.25	\$ 0.78	\$ 0.36	\$ 0.28

(1) Weighted average rent and occupancy excludes property in lease up.

(2) See the reconciliation of Funds From Operations and Adjusted Funds From Operations to net (loss) income, as in accordance with GAAP, at page 9, and definitions of such terms at page 16.

(3) The decrease in FFO is due to the recognition, in 2016 quarter, of deferred interest income from the Newark Joint Venture of \$1.9 million, or \$0.14 per diluted share, offset primarily by \$953,000, or \$0.07 per diluted share, of property acquisition costs expensed in the 2016 quarter.

(4) AFFO decreased due primarily to the add-back, in the 2016 quarter, of the \$2.7 million loss on extinguishment of debt incurred in connection with profitable property sales, of which \$1.6 million, or \$0.11 per share, was allocable to non-controlling interests.

BRT Consolidated Balance Sheets

APARTMENTS CORP.
NYSE: BRT

(Dollars in Thousands)

	March 31 2017 (Unaudited)	September 30,		
		2016	2015	2014
Assets				
Real estate properties, net of accumulated depreciation	\$ 781,114	\$ 759,576	\$ 591,727	\$ 635,612
Real estate loan	5,900	19,500	-	-
Cash and cash equivalents	43,147	27,399	15,556	23,181
Restricted cash	6,619	7,383	6,518	32,390
Deposits and escrows	13,101	18,972	12,782	12,273
Investment in unconsolidated joint ventures	14,557	298	-	-
Other Assets	6,082	7,775	6,882	29,147
Assets of discontinued operations	-	-	163,545	2,017
Real estate properties held for sale	-	33,996	23,859	-
Total Assets	<u>\$ 870,520</u>	<u>\$ 874,899</u>	<u>\$ 820,869</u>	<u>\$ 734,620</u>
Liabilities and equity				
Liabilities				
Mortgage payable, net of deferred costs	\$ 603,133	\$ 588,457	\$ 451,159	\$ 482,406
Junior subordinated notes, net of deferred costs	37,008	36,998	36,978	37,400
Accounts payable and accrued liabilities	13,467	20,716	14,780	15,185
Liabilities of discontinued operations	-	-	138,530	30,990
Mortgage payable held for sale	-	27,052	19,248	-
Total liabilities	<u>653,608</u>	<u>673,223</u>	<u>660,695</u>	<u>565,981</u>
Equity				
Common Stock, \$.01 par value, 300,000 shares authorized; 13,352 shares issued at March 31, 2017	134	-	-	-
Shares of beneficial interest	-	39,696	40,285	40,965
Additional paid in capital	201,546	161,321	161,842	166,209
Accumulated other comprehensive income	1,518	(1,602)	(58)	(8)
Accumulated deficit	(36,584)	(48,125)	(79,414)	(77,026)
Total BRT Apartments Corp. stockholders' equity	<u>166,614</u>	<u>151,290</u>	<u>122,655</u>	<u>130,140</u>
Non-controlling interests	<u>50,298</u>	<u>50,386</u>	<u>37,519</u>	<u>38,499</u>
Total Equity	<u>216,912</u>	<u>201,676</u>	<u>160,174</u>	<u>168,639</u>
Total Liabilities and Equity	<u>\$ 870,520</u>	<u>\$ 874,899</u>	<u>\$ 820,869</u>	<u>\$ 734,620</u>

Consolidated Statements of Operations

(Dollars in Thousands)

	Quarter ended March 31,		Fiscal Year ended September 30,		
	2017 (Unaudited)	2016 (Unaudited)	2016	2015	2014
Revenues					
Rental and other revenue from real estate properties	\$ 24,702	\$ 23,993	\$ 90,945	\$ 77,023	\$ 61,725
Other Income	181	2,026	3,319	72	88
Total Revenues	24,883	26,019	94,264	77,095	61,813
Expenses					
Real estate operating expenses	11,909	12,097	43,262	38,609	32,984
Interest expense	6,402	6,049	23,878	19,297	16,434
Advisor's fees, related party	-	-	693	2,448	1,801
Property acquisition costs (A)	-	953	3,852	1,885	2,542
General and administrative	2,390	2,280	8,536	6,683	6,324
Depreciation	7,772	5,632	23,180	18,454	13,945
Total Expenses	28,473	27,011	103,401	87,376	74,030
Total revenues less total expenses	(3,590)	(992)	(9,137)	(10,281)	(12,217)
Gain on sale of real estate	-	24,226	46,477	15,005	-
Gain on sale of partnership interest	-	-	386	-	-
Loss on extinguishment of debt	-	(2,668)	(4,547)	-	-
(Loss) Income from continuing operations	(3,590)	20,566	33,179	4,724	(12,217)
Provision for taxes	1,108	-	700	-	-
(Loss) income from continuing operations, net of taxes	(4,698)	20,566	32,479	4,724	(12,217)
Discontinued operations:					
Loss from discontinued operations	-	(1,188)	(2,788)	(6,329)	(3,949)
Gain on sale of partnership interest	-	15,467	15,467	-	-
Income (loss) from discontinued operations	-	14,279	12,679	(6,329)	(3,949)
Net (Loss) income	(4,698)	34,845	45,158	(1,605)	(16,166)
(Loss) income attributable to non-controlling interests	469	(9,909)	(13,869)	(783)	6,712
Net (Loss) income attributable to common shareholders	\$ (4,229)	\$ 24,936	\$ 31,289	\$ (2,388)	\$ (9,454)

Acquisitions and Sales – Quarter ended March 31, 2017

(Dollars in Thousands)

Acquisitions

Location	Purchase Date	No. of Units	Contract Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Acquisition Costs
St. Louis, MO	2/28/2017	53	\$ 8,000	\$ 6,200	\$ 2,002	75.5%	\$ 134
St. Louis, MO	2/28/2017	128	27,000	20,000	6,001	75.5%	423
		<u>181</u>	<u>\$ 35,000</u>	<u>\$ 26,200</u>	<u>\$ 8,003</u>		<u>\$ 557</u>

Acquisition subsequent to March 31, 2017

Location	Purchase Date	No. of Units	Contract Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Acquisition Costs
Creve Coeur, MO	4/4/2017	174	\$ 39,600	\$ 29,000	\$ 9,408	78.0%	\$ 567

Dispositions

There were no dispositions during and subsequent to the quarter ended March 31, 2017

Funds From Operations/Adjusted Funds From Operations

(Dollars in Thousands, except per share amounts)

	Quarter Ended March 31,		Fiscal Year ended September 30,		
	2017 (Unaudited)	2016 (Unaudited)	2016	2015	2014
GAAP Net (loss) income attributable to common stockholders	\$ (4,229)	\$ 24,936	\$ 31,289	\$ (2,388)	\$ (9,454)
Add: depreciation of properties	7,772	6,104	24,329	20,681	15,562
Add: our share of depreciation in unconsolidated joint ventures	130	5	20	20	20
Add: amortization of deferred leasing costs	-	1	15	71	62
Deduct: gain on sales of real estate and partnership interests	-	(39,693)	(62,329)	(15,005)	-
Adjustment for non-controlling interest	(1,923)	10,823	13,319	221	(4,012)
Funds from operations (FFO) attributable to common stockholders	1,750	2,176	6,643	3,600	2,178
Adjust for: straight line rent accruals	(14)	(67)	(200)	(411)	(542)
Add: loss on extinguishment of debt	-	2,668	4,547	-	-
Add: amortization of restricted stock and RSU expense	386	188	1,005	906	805
Add: amortization of deferred mortgage costs	224	483	1,645	2,242	1,825
Adjustment for non-controlling interest	(44)	(1,677)	(2,729)	(703)	(424)
Adjusted funds from operations (AFFO) attributable to common stockholders	\$ 2,302	\$ 3,771	\$ 10,911	\$ 5,634	\$ 3,842
Per Share data					
Net (loss) income attributable to common stockholders	\$ (0.30)	\$ 1.76	\$ 2.23	\$ (0.17)	\$ (0.66)
Add: depreciation of properties	0.55	0.43	1.74	1.46	1.10
Add: our share of depreciation in unconsolidated joint ventures	0.01	-	-	-	-
Add: amortization of deferred leasing costs	-	-	-	-	-
Deduct: gain on sales of real estate and partnership interests	-	(2.81)	(4.45)	(1.07)	-
Adjustment for non-controlling interest	(0.14)	0.77	0.95	0.02	(0.28)
Funds from operations (FFO) attributable to common stockholders	0.12	0.15	0.47	0.24	0.16
Adjust for: straight line rent accruals	-	(0.01)	(0.01)	(0.04)	(0.04)
Add: loss on extinguishment of debt	-	0.19	0.32	-	-
Add: amortization of restricted stock and RSU expense	0.03	0.01	0.07	0.07	0.06
Add: amortization of deferred mortgage costs	0.02	0.03	0.12	0.16	0.13
Adjustment for non-controlling interest	(0.01)	(0.12)	(0.19)	(0.07)	(0.03)
Adjusted funds from operations (AFFO) attributable to common stockholders	\$ 0.16	\$ 0.25	\$ 0.78	\$ 0.36	\$ 0.28

Refer to page 5 for footnotes 3 and 4 regarding changes in FFO and AFFO for the quarters ending March 31, 2017 and 2016.

Debt Information at March 31, 2017

(Dollars in Thousands)

Mortgage Debt

Year	Total Principal Payments	Scheduled Amortization	Principal Payments Due at Maturity	Weighted Average Interest Rate (a)
2017	\$ 2,845	\$ 2,845	-	-
2018	6,231	6,231	-	-
2019	75,907	6,394	\$ 69,513	4.10%
2020	57,666	11,537	46,129	3.08%
2021	22,000	7,998	14,002	4.29%
Thereafter	443,780	40,038	403,742	4.19%
Total	<u>\$ 608,429</u>	<u>\$ 75,043</u>	<u>\$ 533,386</u>	4.09%

(a) Weighted average relating only to balloon payments due at maturity date.

Weighted Average Remaining Term to Maturity	7.8 years
Weighted Average Interest Rate	4.46%
Debt Service Coverage Ratio ⁽¹⁾	1.39

(1) Calculated as Net Operating Income divided by Total Debt Service. See the reconciliation of Funds From Operations and Adjusted Funds From Operations to net (loss) income, as in accordance with GAAP, at page 9 and definitions of such terms at page 16.

Junior Subordinated Notes

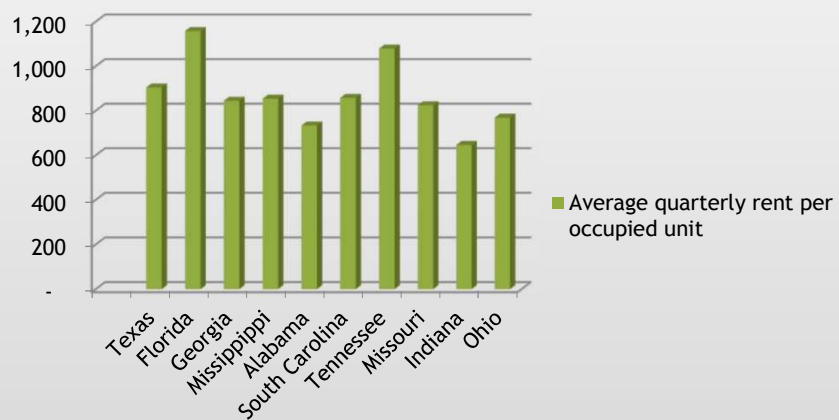
Principal Balance	\$ 37,400
Interest Rate	3 month LIBOR + 2.00%
Maturity	April 30, 2036

State	At March 31, 2017		For the Quarter Ended March 31, 2017	
	Number of Properties	Number of Units	Average quarterly rent per occupied unit	Average quarterly occupancy
Texas	11	2,750	\$ 916	92%
Georgia	4	959	917	94%
Florida	3	1,026	1,153	93%
South Carolina	3	683	992 (1)	95% (1)
Alabama	2	826	725	95%
Mississippi	2	776	852	95%
Tennessee	1	300	1,072	98%
Missouri	3	601	889	92%
Indiana	1	400	635	92%
Ohio	1	264	796	97%
Virginia	1	220	957	94%
Total / Weighted Average	32	8,805	\$ 900	94%

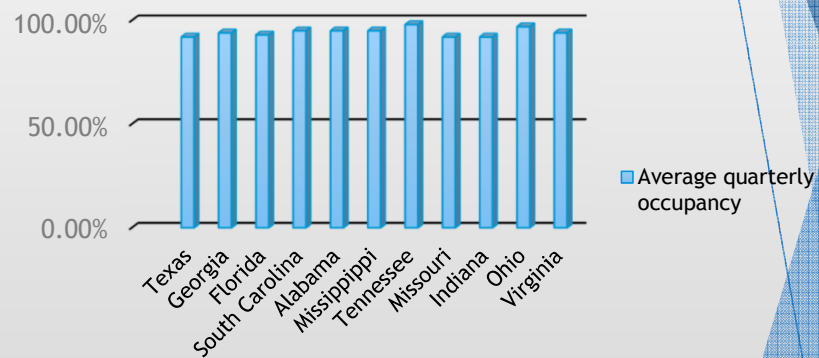
(1) Weighted average rent and occupancy excludes a 271 unit property in lease up

Portfolio Summary For the Quarter Ended March 31, 2017

Average quarterly rent per occupied unit



Average Quarterly Occupancy per unit



Note: South Carolina quarterly occupancy excludes a 271 unit property in lease-up stage

Net Operating Income – Quarterly

(Dollars in Thousands)

Quarter ended March 31, 2017
 (Unaudited)

	REVENUES	EXPENSES	NET OPERATING INCOME
Texas	\$ 7,794	\$ 4,385	\$ 3,409
Florida	3,698	1,644	2,054
Georgia	2,745	1,273	1,472
South Carolina	1,363	739	624
Tennessee	994	399	595
Missouri	1,374	631	743
Indiana	836	493	343
Mississippi	2,040	808	1,232
Ohio	672	252	420
Alabama	1,932	871	1,061
Virginia	869	255	614
Other - non multi family	385	159	226
Total	\$ 24,702	\$ 11,909	\$ 12,793

See Reconciliation of Net (Loss) Income to Net Operating Income at page 15

Net Operating Income - Prior Fiscal Year

(Dollars in Thousands)

Year ended September 30, 2016

	Revenues	Expenses	Net Operating Income
Texas	\$ 23,827	\$ 12,158	\$ 11,669
Florida	15,652	7,197	8,455
Georgia	10,706	4,422	6,284
South Carolina	6,613	2,973	3,640
Tennessee	9,735	5,653	4,082
Missouri	3,854	1,672	2,182
Indiana	3,152	1,588	1,564
Kansas	3,132	1,325	1,807
Mississippi	2,679	956	1,723
Ohio	2,440	1,088	1,352
Arkansas	783	435	348
Alabama	6,966	3,199	3,767
Other - non multi family	1,406	596	810
Total	\$ 90,945	\$ 43,262	\$ 47,683

See Reconciliation of GAAP Net (Loss) Income to Net Operating Income at page 15

Reconciliation of Net (Loss) Income to Net Operating Income (Dollars in Thousands)

We define NOI as total property revenues less total property expenses. Other REIT's may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REIT's. We believe that this measure provides an operating perspective not immediately apparent from GAAP operating income or net (loss) income. We use NOI to evaluate our performance because NOI measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance and 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 reflects NOI together with a reconciliation of NOI to net income attributable to common stock holders as computed in accordance with GAAP for the periods presented:

	Quarter Ended March 31, 2017 (Unaudited)	Year Ended September 30, 2016
GAAP Net (loss) income attributable to common stockholders	\$ (4,229)	\$ 31,289
Less: Other Income	(181)	(3,319)
Add: Interest expense	6,402	23,878
Advisor's fees, related party	-	693
Property acquisition costs	-	3,852
General and administrative	2,390	8,536
Depreciation	7,772	23,180
Less: Gain on sale of real estate	-	(46,477)
Gain on sale of partnership interest	-	(386)
Add: Loss on extinguishment of debt	-	4,547
Provision for taxes	1,108	700
Discontinued operations:		
Loss from discontinued operations	-	2,788
Less: Gain on sale of partnership interest	-	(15,467)
Net loss (income) attributable to non-controlling interests	(469)	13,869
Net Operating Income	\$ 12,793	\$ 47,683

Funds from Operations (FFO)

FFO is a non-GAAP financial performance measure defined by the National Association of Real Estate Investment Trusts and is widely recognized by investors and analysts as one measure of operating performance of a REIT. The FFO calculation excludes items such as real estate depreciation and amortization, gains and losses on the sale of real estate assets and impairment on depreciable assets. Historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, it is management's view, and we believe the view of many industry investors and analysts, that the presentation of operating results for a REIT using the historical accounting for depreciation is insufficient. FFO excludes gains and losses from the sale of real estate, which we believe provides management and investors with a helpful additional measure of the performance of our real estate portfolio, as it allows for comparisons, year to year, that reflect the impact on operations from trends in items such as occupancy rates, rental rates, operating costs, general, administrative and other expenses, and interest expenses.

Adjusted Funds from Operations (AFFO)

AFFO, as defined by us, excludes from FFO straight line rent adjustments, loss on extinguishment of debt, amortization of restricted stock and RSU expense and amortization of deferred mortgage costs. Management believes that excluding acquisition-related expenses from AFFO provides investors with supplemental performance information that is consistent with the performance models and analysis used by management and provides investors a view of the performance of our portfolio over time, including after the time we cease to acquire properties on a frequent and regular basis. We believe that AFFO enables investors to compare the performance of our portfolio with other REITs that have not recently engaged in acquisitions, as well as a comparison of our performance with that of other non-traded REITs, as AFFO, or an equivalent measure is routinely reported by non-traded REITs, and we believe often used by analysts and investors for comparison purposes.