

**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): August 8, 2017

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

Maryland	001-07172	13-2755856
(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 August 8, 2017, we issued a press release announcing our results of operations for the three months ended June 30, 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**

<b><u>No.</u></b>	<b><u>Description</u></b>
99.1	Press release dated August 8, 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.

August 8, 2017

By: /s/ George Zweier

George Zweier, Vice President  
and Chief Financial Officer

## **BRT APARTMENTS CORP. REPORTS THIRD FISCAL QUARTER RESULTS**

### **- Rental Income Grows 12.7% over the Prior Year Quarter - - 9.6% Increase in Average Monthly Revenue per Occupied Unit at Stabilized Properties Compared to Third Quarter 2016 -**

**Great Neck, New York** - August 8, 2017 - BRT APARTMENTS CORP. (NYSE:BRT), today announced operating results for the three months ended June 30, 2017, the Company's third quarter of fiscal 2017.

"The favorable performance of our stabilized properties reflects the benefit of our active management," commented Jeffrey A. Gould, President and Chief Executive Officer: "In the quarter, average monthly rental revenue increased 9.6% to \$936 per occupied unit at stabilized properties, with strong occupancy of 94%. Our ongoing efforts to enhance our portfolio by owning and operating quality multi-family properties in attractive markets should, over time, result in improved FFO and AFFO. Our ability to associate with strong local partners allows us to expand our geographic footprint across growth markets as we work to add value for our stockholders."

#### **Financial Results:**

Net loss attributable to common stockholders was \$3.4 million, or \$0.24 per diluted share, for the current three months, compared to net income of \$5.5 million, or \$0.39 per diluted share, for the three months ended June 30, 2016. The 2017 period includes \$5.7 million of non-cash depreciation expense, net of the minority interest's share of such expense, compared to \$4.6 million of such expense for the 2016 period, net of the minority interest's share of such expense. In addition, the 2017 period does not include any gains from the sale of real estate compared to \$7.9 million of gains from sales of multi-family properties, net of the minority interest's share of such gains, included in the 2016 period.

Funds from Operations, or FFO, for the three months ended June 30, 2017 grew to \$2.6 million, or \$0.19 per diluted share, an increase of 46.2% per diluted share from \$1.8 million, or \$0.13 per diluted share, in the third quarter of 2016. Adjusted Funds from Operations, or AFFO, for the three months ended June 30, 2017 was \$3.3 million, or \$0.23 per diluted share, an increase of 35.3% per diluted share from \$2.3 million, or \$0.17 per diluted share, in the 2016 quarter. The improvement in FFO and AFFO was primarily due to the capitalization of property acquisition costs as a result of a change in accounting standards, with no acquisition costs expensed in the current quarter compared to \$1.4 million of acquisition costs expensed in the corresponding 2016 quarter. A description and reconciliation of non-GAAP financial measures to GAAP financial measures is presented later in this release.

#### **Operating Results:**

As of June 30, 2017, BRT owns 35 multi-family properties with 9,890 units, including 445 units at two properties in lease-up and 402 units at a property under construction, located across 11 states. Many of these properties are owned through consolidated joint ventures in which BRT generally owns a 70% to 80% equity interest. Average occupancy at stabilized properties during the quarter was 94% compared to 94.1% for the 2016 quarter. The average rental rate per occupied unit at stabilized properties during the quarter increased 9.6% to \$936 from \$854 for the 2016 quarter. For the current quarter, stabilized properties represent 32 of our 35 multi-family properties - excluded are two properties in lease up and a property under construction.

Rental and other revenues from real estate properties for the current three months grew 12.7% to \$26.7 million from \$23.7 million for the quarter ended June 30, 2016, primarily due to property acquisitions.

Total expenses for the quarter ended June 30, 2017 were \$30.3 million compared to \$27.7 million for the quarter ended June 30, 2016, primarily due to additional expenses related to property acquisitions.

**Portfolio Activity:**

During the quarter ended June 30, 2017, the Company acquired, with joint venture partners, three multi-family properties with an aggregate of 1,085 units for \$130.5 million, including mortgage debt of \$84.2 million obtained in connection with the acquisitions. These acquisitions, which were previously reported, include: a Class A newly constructed property in the St Louis suburbs with 174 units that is currently in lease-up, a land parcel at which the Company contemplates developing a 402 unit multifamily property in West Nashville, Tennessee and a 509 unit Class A stabilized property near Dallas, Texas.

**Subsequent Events:**

In July 2017, the Company sold three multi-family properties located near Houston, Texas for an aggregate of \$39 million and estimates that in the fourth fiscal quarter of 2017, the aggregate gain the Company will recognize, net of a mortgage prepayment charge and minority interest, will be approximately \$8.9 million.

**Balance Sheet:**

At June 30, 2017, BRT had \$9.8 million of cash and cash equivalents, total assets of \$979.4 million, total debt of \$728.4 million and total stockholders' equity of \$162.9 million.

At August 1, 2017, BRT had approximately \$23.4 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 measures 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.

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 primarily owns, operates and develops multi-family properties. Interested parties are encouraged to review the Form 10-Q filed with the Securities and Exchange Commission for the quarter ended June 30, 2017 and the supplemental disclosures regarding the quarter on the investor relations section of the Company's website at: [http://brtrealty.com/investor\\_relations](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](http://www.brtrealty.com).

Contact: Investor Relations - (516) 466-3100

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

	June 30, 2017 (Unaudited)	September 30, 2016
<b>ASSETS</b>		
Real estate properties, net of accumulated depreciation and amortization of \$57,997 and \$41,995	\$ 890,100	\$ 759,576
Real estate loan	5,650	19,500
Cash and cash equivalents	9,795	27,399
Restricted cash	5,791	7,383
Other assets	46,533	27,045
Real estate properties held for sale	21,515	33,996
Total Assets	<u>\$ 979,384</u>	<u>\$ 874,899</u>
<b>LIABILITIES AND EQUITY</b>		
Mortgages payable, net of deferred costs of \$6,754 and \$5,873	\$ 691,337	\$ 588,457
Junior subordinated notes, net of deferred costs of \$387 and \$402	37,013	36,998
Accounts payable and accrued liabilities	17,095	20,716
Mortgage payable held for sale	—	27,052
Total Liabilities	<u>745,445</u>	<u>673,223</u>
Total BRT Apartments Corp. stockholders' equity	162,942	151,290
Non-controlling interests	70,997	50,386
Total Equity	<u>233,939</u>	<u>201,676</u>
Total Liabilities and Equity	<u>\$ 979,384</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 June 30,		Nine Months Ended June 30,	
	2017	2016	2017	2016
Revenues:				
Rental and other revenues from real estate properties	\$ 26,673	\$ 23,679	\$ 76,404	\$ 69,991
Other income	188	608	980	2,641
Total revenues	26,861	24,287	77,384	72,632
Expenses:				
Real estate operating expenses	13,283	11,986	37,638	35,177
Interest expense	7,180	6,014	20,269	17,594
Advisor's fees, related party	—	—	—	693
Property acquisition costs	—	1,408	—	2,418
General and administrative	2,309	2,373	7,296	6,402
Depreciation	7,561	5,871	21,630	16,487
Total expenses	30,333	27,652	86,833	78,771
Total revenue less total expenses	(3,472)	(3,365)	(9,449)	(6,139)
Equity in loss of unconsolidated joint ventures	(307)	—	(307)	—
Gain on sale of real estate	—	10,263	35,838	35,098
Gain on sale of partnership interest	—	386	—	386
Loss on extinguishment of debt	—	—	(799)	(2,668)
(Loss) income from continuing operations	(3,779)	7,284	25,283	26,677
Provision for taxes	41	—	1,499	—
(Loss) income from continuing operations, net of taxes	(3,820)	7,284	23,784	26,677
Income from discontinued operations	—	—	—	12,679
Net (loss) income	(3,820)	7,284	23,784	39,356
Net loss (income) attributable to non-controlling interests	418	(1,804)	(15,645)	(10,974)
Net (loss) income attributable to common stockholders	\$ (3,402)	\$ 5,480	\$ 8,139	\$ 28,382
Basic and diluted per share amounts attributable to common stockholders:				
(Loss) income from continuing operations	\$ (0.24)	\$ 0.39	\$ 0.58	\$ 1.00
Income from discontinued operations	—	—	—	1.02
Basic and diluted (loss) earnings per share	\$ (0.24)	\$ 0.39	\$ 0.58	\$ 2.02
Funds from operations - Note 1	\$ 2,633	\$ 1,798	\$ 6,269	\$ 5,626
Funds from operations per common share - diluted - Note 2	\$ 0.19	\$ 0.13	\$ 0.45	\$ 0.40
Adjusted funds from operations - Note 1	\$ 3,253	\$ 2,267	\$ 8,418	\$ 8,304
Adjusted funds from operations per common share - diluted - Note 2	\$ 0.23	\$ 0.17	\$ 0.61	\$ 0.59
Weighted average number of common shares outstanding:				
Basic and diluted	14,035,074	13,932,515	13,983,495	14,055,436



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

	<b>Three Months Ended June 30,</b>		<b>Nine Months Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Note 1:				
Funds from operations is summarized in the following table:				
GAAP Net (loss) income attributable to common shareholders	\$ (3,402)	\$ 5,480	\$ 8,139	\$ 28,382
Add: depreciation of properties	7,561	5,871	21,630	17,636
Add: our share of depreciation in unconsolidated joint ventures	308	5	521	15
Add: amortization of deferred leasing costs	—	—	—	15
Deduct: gain on sale of real estate	—	(10,649)	(35,838)	(50,951)
Adjustments for non-controlling interests	(1,834)	1,091	11,817	10,529
<b>NAREIT Funds from operations attributable to common shareholders</b>	<b>\$ 2,633</b>	<b>\$ 1,798</b>	<b>\$ 6,269</b>	<b>\$ 5,626</b>
Adjustments for straight line rent accruals	(10)	(1)	(46)	(130)
Add: loss on extinguishment of debt	—	—	799	2,668
Add: amortization of restricted stock and restricted stock units	353	271	1,063	689
Add: amortization of deferred mortgage costs	349	248	874	1,416
Adjustments for non-controlling interests	(72)	(49)	(541)	(1,965)
<b>Adjusted funds from operations attributable to common shareholders</b>	<b>\$ 3,253</b>	<b>\$ 2,267</b>	<b>\$ 8,418</b>	<b>\$ 8,304</b>

Note 2:				
Funds from operations per share is summarized in the following table:				
GAAP Net (loss) income attributable to common shareholders	\$ (0.24)	\$ 0.39	\$ 0.58	\$ 2.02
Add: depreciation of properties	0.54	0.42	1.55	1.25
Add: our share of depreciation in unconsolidated joint ventures	0.02	—	0.04	—
Add: amortization of deferred leasing costs	—	—	—	—
Deduct: gain on sale of real estate asset	—	(0.76)	(2.56)	(3.62)
Adjustments for non-controlling interests	(0.13)	0.08	0.84	0.75
<b>NAREIT Funds from operations per common share basic and diluted</b>	<b>\$ 0.19</b>	<b>\$ 0.13</b>	<b>\$ 0.45</b>	<b>\$ 0.40</b>
Adjustments for straight line rent accruals	—	—	—	(0.01)
Add: loss on extinguishment of debt	—	—	0.06	0.19
Add: amortization of restricted stock and restricted stock units	0.03	0.02	0.08	0.05
Add: amortization of deferred mortgage costs	0.02	0.02	0.06	0.10
Adjustments for non-controlling interests	(0.01)	—	(0.04)	(0.14)
<b>Adjusted funds from operations per common share basic and diluted</b>	<b>\$ 0.23</b>	<b>\$ 0.17</b>	<b>\$ 0.61</b>	<b>\$ 0.59</b>



A NATIONAL MULTI-FAMILY EQUITY REIT

SERVING OUR CUSTOMERS FOR OVER 35 YEARS

# Supplemental Information

## Quarter Ended June 30, 2017



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## Forward Looking Information

The information set forth herein contains forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. Forward-looking information that is included herein that are not historical facts is subject to a number of risks and uncertainties, and actual results may differ materially. The actual results realized by the Company could differ materially from the information included herein, depending in particular upon the risks and uncertainties described in the Company's filings with the Securities and Exchange Commission (SEC), as amended. Existing and prospective investors are cautioned not to place undue reliance on this forward-looking information, which speak only as of the date hereof. The Company undertakes no obligation to update or revise the information herein, whether as a result of new information, future events or circumstances, or otherwise.

Our fiscal year ends on September 30 and unless otherwise indicated, all references to a quarter or year refer to the applicable fiscal quarter or year.

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 a majority equity interest in the entity owning the property.

At June 30, 2017, we own 35 multi-family properties with an aggregate of 9,890 units, including 445 units at two properties in lease up and 402 units at a property under construction, located in 11 states. Many of our properties are located in the Southeast United States and Texas. We commenced our multi-family activities in March 2012.



# Market Information, Per Share Data, and Portfolio Data

	As of June 30,		As of September 30,		
	2017	2016	2016	2015	2014
<b>Market Information</b>					
Market capitalization	\$ 110,236,744	\$ 99,434,707	\$ 111,190,680	\$ 99,976,487	\$ 107,273,903
Shares outstanding	14,025,031	13,906,952	13,898,835	14,101,056	14,303,187
Closing share price	\$ 7.86	\$ 7.15	\$ 8.00	\$ 7.09	\$ 7.50
<b>Portfolio</b>					
Multi family properties owned	35	31	33	28	27
Units	9,890	8,973	9,420	8,300	7,609
Average occupancy (1)	94.0%	94.1%	92.8%	94.5%	94.0%
Average monthly rental revenue per occupied unit (1) for the quarter	\$ 936	\$ 854	\$ 852	\$ 810	\$ 785
	Quarter ended June 30		Year ended September 30,		
	2017 (Unaudited)	2016 (Unaudited)	2016	2015	2014
<b>Per Share Data</b>					
Earnings per share (basic and diluted)	\$ (0.24)	\$ 0.39	\$ 2.23	\$ (0.17)	\$ (0.66)
FFO per common share (2)	\$ 0.19	\$ 0.13	\$ 0.47	\$ 0.24	\$ 0.16
AFFO per common share (2)	\$ 0.23	\$ 0.17	\$ 0.78	\$ 0.36	\$ 0.28

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

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

# Consolidated Balance Sheets

(Dollars in thousands)

	June 30	September 30,		
	2017	2016	2015	2014
	(Unaudited)			
<b>Assets</b>				
Real estate properties, net of accumulated depreciation	\$ 890,100	\$ 759,576	\$ 591,727	\$ 635,612
Real estate loan	5,650	19,500	-	-
Cash and cash equivalents	9,795	27,399	15,556	23,181
Restricted cash	5,791	7,383	6,518	32,390
Deposits and escrows	26,407	18,972	12,782	12,273
Investment in unconsolidated joint ventures	14,134	298	-	-
Other Assets	5,992	7,775	6,882	29,147
Assets of discontinued operations	-	-	163,545	2,017
Real estate properties held for sale	21,515	33,996	23,859	-
<b>Total Assets</b>	<b>\$ 979,384</b>	<b>\$ 874,899</b>	<b>\$ 820,869</b>	<b>\$ 734,620</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Mortgage payable, net of deferred costs	\$ 691,337	\$ 588,457	\$ 451,159	\$ 482,406
Junior subordinated notes, net of deferred costs	37,013	36,998	36,978	37,400
Accounts payable and accrued liabilities	17,095	20,716	14,780	15,185
Liabilities of discontinued operations	-	-	138,530	30,990
Mortgage payable held for sale	-	27,052	19,248	-
<b>Total liabilities</b>	<b>745,445</b>	<b>673,223</b>	<b>660,695</b>	<b>565,981</b>
<b>Equity</b>				
Common Stock, \$.01 par value, 300,000 shares authorized; 13,336 shares issued at June 30, 2017	133	-	-	-
Shares of beneficial interest \$3 per value	-	39,696	40,285	40,965
Additional paid in capital	201,776	161,321	161,842	166,209
Accumulated other comprehensive income (loss)	1,019	(1,602)	(58)	(8)
Accumulated deficit	(39,986)	(48,125)	(79,414)	(77,026)
<b>Total BRT Apartments Corp. stockholders' equity</b>	<b>162,942</b>	<b>151,290</b>	<b>122,655</b>	<b>130,140</b>
Non-controlling interests	70,997	50,386	37,519	38,499
<b>Total Equity</b>	<b>233,939</b>	<b>201,676</b>	<b>160,174</b>	<b>168,639</b>
<b>Total Liabilities and Equity</b>	<b>\$ 979,384</b>	<b>\$ 874,899</b>	<b>\$ 820,869</b>	<b>\$ 734,620</b>

# Consolidated Statements of Operations

(Dollars in thousands)

	Quarter ended June 30,		Year ended September 30,		
	2017 (Unaudited)	2016 (Unaudited)	2016	2015	2014
Revenues					
Rental and other revenue from real estate properties	\$ 26,673	\$ 23,679	\$ 90,945	\$ 77,023	\$ 61,725
Other income	188	608	3,319	72	88
Total revenues	26,861	24,287	94,264	77,095	61,813
Expenses					
Real estate operating expenses	13,283	11,986	43,262	38,609	32,984
Interest expense	7,180	6,014	23,878	19,297	16,434
Advisor's fees, related party	-	-	693	2,448	1,801
Property acquisition costs	-	1,408	3,852	1,885	2,542
General and administrative	2,309	2,373	8,536	6,683	6,324
Depreciation	7,561	5,871	23,180	18,454	13,945
Total expenses	30,333	27,652	103,401	87,376	74,030
Total revenues less total expenses	(3,472)	(3,365)	(9,137)	(10,281)	(12,217)
Equity in loss of unconsolidated joint ventures	(307)	-	-	-	-
Gain on sale of real estate	-	10,263	46,477	15,005	-
Gain on sale of partnership interest	-	386	386	-	-
Loss on extinguishment of debt	-	-	(4,547)	-	-
(Loss) income from continuing operations	(3,779)	7,284	33,179	4,724	(12,217)
Provision for taxes	41	-	700	-	-
(Loss) income from continuing operations, net of taxes	(3,820)	7,284	32,479	4,724	(12,217)
Discontinued operations:					
Loss from discontinued operations	-	-	(2,788)	(6,329)	(3,949)
Gain on sale of partnership interest	-	-	15,467	-	-
Income (loss) from discontinued operations	-	-	12,679	(6,329)	(3,949)
Net (loss) income	(3,820)	7,284	45,158	(1,605)	(16,166)
Loss (income) attributable to non-controlling interests	418	(1,804)	(13,869)	(783)	6,712
Net (loss) income attributable to common shareholders	\$ (3,402)	\$ 5,480	\$ 31,289	\$ (2,388)	\$ (9,454)



# Acquisitions and Sales – Quarter ended June 30, 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
Creve Coeur, MO	4/4/2017	174	\$ 39,600	\$ 29,000	\$ 9,408	78.0%	\$ 569
Nashville, TN (1)	6/2/2017	402	5,228	-	4,800	58.0%	-
Dallas, TX	6/29/2017	509	85,698	55,200	16,200	50.0%	992
		<u>1085</u>	<u>\$ 130,526</u>	<u>\$ 84,200</u>	<u>\$ 30,408</u>		<u>\$ 1,561</u>

(1) Represents the purchase of a 44 acre parcel of land on which 402 units are to be constructed

## Dispositions Subsequent to June 30, 2017

Location	Purchase Date	No. of Units	Sales Price	Estimated gain	BRT Portion of Estimated gain	Mortgage Prepayment Charge	BRT Portion of Mortgage Prepayment Charge
Humble, TX	7/11/2017	160	\$ 11,300	\$ 4,700	\$ 2,900	\$ 195	\$ 119
Humble, TX	7/11/2017	260	18,000	7,700	4,700	305	186
Pasadena, TX	7/28/2017	144	9,750	4,300	1,700	162	67
			<u>\$ 39,050</u>	<u>\$ 16,700</u>	<u>\$ 9,300</u>	<u>\$ 662</u>	<u>\$ 372</u>

# Funds From Operations/Adjusted Funds From Operations

(Dollars in thousands, except per share amounts)

	Quarter Ended June 30,		Year ended September 30,		
	2017 (Unaudited)	2016 (Unaudited)	2016	2015	2014
GAAP Net (loss) income attributable to common stockholders	\$ (3,402)	\$ 5,480	\$ 31,289	\$ (2,388)	\$ (9,454)
Add: depreciation of properties	7,561	5,871	24,329	20,681	15,562
Add: our share of depreciation in unconsolidated joint ventures	308	5	20	20	20
Add: amortization of deferred leasing costs	-	-	15	71	62
Deduct: gain on sales of real estate and partnership interests	-	(10,649)	(62,329)	(15,005)	-
Adjustment for non-controlling interest	(1,834)	1,091	13,319	221	(4,012)
<b>Funds from operations (FFO) attributable to common stockholders</b>	<b>2,633</b>	<b>1,798</b>	<b>6,643</b>	<b>3,600</b>	<b>2,178</b>
Adjust for straight line rent accruals	(10)	(1)	(200)	(411)	(542)
Add: loss on extinguishment of debt	-	-	4,547	-	-
Add: amortization of restricted stock and RSU expense	353	271	1,005	906	805
Add: amortization of deferred mortgage costs	349	248	1,645	2,242	1,825
Adjustment for non-controlling interest	(72)	(49)	(2,729)	(703)	(424)
<b>Adjusted funds from operations (AFFO) attributable to common stockholders</b>	<b>\$ 3,253</b>	<b>\$ 2,267</b>	<b>\$ 10,911</b>	<b>\$ 5,634</b>	<b>\$ 3,842</b>
Per Share data					
GAAP Net (loss) income attributable to common stockholders	\$ (0.24)	\$ 0.39	\$ 2.23	\$ (0.17)	\$ (0.66)
Add: depreciation of properties	0.54	0.42	1.74	1.46	1.10
Add: our share of depreciation in unconsolidated joint ventures	0.02	-	-	-	-
Add: amortization of deferred leasing costs	-	-	-	-	-
Deduct: gain on sales of real estate and partnership interests	-	(0.76)	(4.45)	(1.07)	-
Adjustment for non-controlling interest	(0.13)	0.08	0.95	0.02	(0.28)
<b>Funds from operations (FFO) attributable to common stockholders</b>	<b>0.19</b>	<b>0.13</b>	<b>0.47</b>	<b>0.24</b>	<b>0.16</b>
Adjust for straight line rent accruals	-	-	(0.01)	(0.04)	(0.04)
Add: loss on extinguishment of debt	-	-	0.32	-	-
Add: amortization of restricted stock and RSU expense	0.03	0.02	0.07	0.07	0.06
Add: amortization of deferred mortgage costs	0.02	0.02	0.12	0.16	0.13
Adjustment for non-controlling interest	(0.01)	-	(0.19)	(0.07)	(0.03)
<b>Adjusted funds from operations (AFFO) attributable to common stockholders</b>	<b>\$ 0.23</b>	<b>\$ 0.17</b>	<b>\$ 0.78</b>	<b>\$ 0.36</b>	<b>\$ 0.28</b>

# Debt Information at June 30, 2017

(Dollars in thousands)

## Mortgage Debt

Year	Total Principal Payments	Scheduled Amortization	Principal Payments Due at Maturity	Percent of Total Payments Due At Maturity	Weighted Average Interest Rate (a)
2017	\$ 1,542	1,542	-	-	-
2018	35,297	6,297	29,000	5%	3.67%
2019	75,977	6,464	\$ 69,513	11%	4.10%
2020	59,579	6,812	52,767	8%	3.21%
2021	22,077	8,075	14,002	2%	4.29%
Thereafter	503,619	45,044	458,575	74%	4.21%
Total	<u>\$ 698,091</u>	<u>\$ 74,234</u>	<u>\$ 623,857</u>	<u>100%</u>	

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

Weighted Average Remaining Term to Maturity	7.0 years
Weighted Average Interest Rate	4.08%
Debt Service Coverage Ratio (1)	1.38

(1) Defined as net operating income ("NOI") divided by total debt service.

Refer to reconciliation of net (loss) income to NOI at page 15 and definitions of such terms at page 16.

## Junior Subordinated Notes

Principal Balance	\$ 37,400
Interest Rate	3 month LIBOR + 2.00% ( <i>i.e.</i> , 3.17%)
Maturity	April 30, 2036

# Portfolio Summary

State	At June 30, 2017		For the Quarter Ended June 30, 2017	
	Number of Properties	Number of Units	Average monthly rent per occupied unit for the quarter	Average monthly occupancy for the quarter
Texas	12	3,259	\$ 924	92.5%
Georgia	4	959	935	95.2%
Florida	3	1,026	1,151	93.7%
South Carolina	3	683	1,018	94.7% (1)
Alabama	2	826	727	94.2%
Mississippi	2	776	860	96.5%
Tennessee	2	702	1,037 (2)	95.8% (2)
Missouri	4	775	1,019	95.2% (1)
Indiana	1	400	644	90.7%
Ohio	1	264	814	96.7%
Virginia	1	220	1,280	95.7%
<b>Total / Weighted Average</b>	<b>35</b>	<b>9,890</b>	<b>\$ 936</b>	<b>94.0%</b>

(1) Weighted average occupancy excludes 445 units at two properties in lease up stage.

(2) Weighted average rent and occupancy excludes a 402 unit property under construction.

# Net Operating Income – Quarterly

(Dollars in thousands)

Quarter ended June 30, 2017  
(Unaudited)

	REVENUES	EXPENSES	NET OPERATING INCOME	PERCENT OF TOTAL NOI
Texas	\$ 8,038	\$ 4,460	\$ 3,578	27%
Florida	3,722	1,844	1,878	14%
Georgia	2,877	1,360	1,517	11%
Missouri	2,641	1,217	1,424	11%
Mississippi	2,093	789	1,304	10%
Alabama	1,942	940	1,002	7%
South Carolina	1,598	929	669	5%
Tennessee	963	432	531	4%
Virginia	873	262	611	5%
Indiana	840	540	300	2%
Ohio	683	371	312	2%
Other - non multi family	403	139	264	2%
Total	\$ 26,673	\$ 13,283	\$ 13,390	100%

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

	<u>Revenues</u>	<u>Expenses</u>	<u>Net Operating Income</u>
Texas	\$ 23,827	\$ 12,158	\$ 11,669
Florida	15,652	7,197	8,455
Georgia	10,706	4,422	6,284
Tennessee	9,735	5,653	4,082
Alabama	6,966	3,199	3,767
South Carolina	6,613	2,973	3,640
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
Other - non multi family	1,406	596	810
Total	<u>\$ 90,945</u>	<u>\$ 43,262</u>	<u>\$ 47,683</u>

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 operating 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 it measures the core operations of property performance by excluding corporate level expenses and other items unrelated 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 June 30, 2017 (Unaudited)	Year Ended September 30, 2016
GAAP Net (loss) income attributable to common stockholders	\$ (3,402)	\$ 31,289
Less: Other Income	(188)	(3,319)
Add: Interest expense	7,180	23,878
Advisor's fees, related party	-	693
Property acquisition costs	-	3,852
General and administrative	2,309	8,536
Depreciation	7,561	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
Equity in loss of unconsolidated joint ventures	307	
Provision for taxes	41	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	(418)	13,869
<b>Net Operating Income</b>	<b>\$ 13,390</b>	<b>\$ 47,683</b>



## 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.

## Total Debt Service

Total Debt Service is the cash required to cover the repayment of interest and principal on a debt for a particular period. Total debt service is used in the calculation of the debt service coverage ratio which is used to determine the borrower's ability to make debt service payments.