

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): November 6, 2019

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))

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

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

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 November 6, 2019, we issued a press release announcing our results of operations for the three months ended September 30, 2019. The press release refers to certain supplemental financial information available on our website. 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. 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, which we refer to as 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.

The following exhibits relating to Items 2.02 and 7.01 of this Current Report on Form 8-K are intended to be furnished to, not filed with, the SEC.

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
<a href="#"><u>99.1</u></a>	Press release dated November 6, 2019.
<a href="#"><u>99.2</u></a>	Supplemental Financial Information dated November 6, 2019
101	Cover Page Interactive Data File - 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 Data File - the cover page XBRL tags are embedded within the Inline XBRL document

**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.

November 6, 2019

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



## BRT APARTMENTS CORP. REPORTS THIRD QUARTER RESULTS FOR 2019

- **Rental Revenues Increase 8.3%** –
- **Same Store Rental Revenues Increase 6.5%** –

**Great Neck, New York** – November 6, 2019 - BRT APARTMENTS CORP. (NYSE:BRT), a growing multi-family real estate investment trust with properties located primarily in the Southeast United States and Texas today reported \$3.3 million in net income, or \$0.20 per diluted share, \$2.0 million in FFO, or \$0.12 per diluted share, and \$4.2 million in AFFO, or \$0.26 per diluted share, for the three months ended September 30, 2019.

Jeffrey A. Gould, President and Chief Executive Officer of BRT commented: “BRT had another strong quarter with an 8.3% increase in rental revenues and same store NOI growth of 11.3%. Our value-add properties are progressing well as we completed upgrades to 256 units in the quarter from which we expect an annual 26% return on investment. Our acquisition efforts are focused on locating additional value-add opportunities in order to further drive improving risk adjusted returns. As we approach the end of the year, we remain optimistic about our market position given our solid organic growth and solid fundamentals. We believe we have laid a strong operational foundation that will support our efforts to enhance stockholder value over time.”

### Financial Results:

Net income attributable to common stockholders was \$3.3 million, or \$0.20 per diluted share, for the three months ended September 30, 2019, compared to a net loss of \$3.1 million, or a loss of \$0.20 per diluted share, for the three months ended September 30, 2018. The current quarter includes a gain on sale of \$9.9 million, or \$0.62 per diluted share, without giving effect to the non-controlling interest of \$894,000 or \$0.06 per diluted share. The gain was reduced by a \$1.8 million, or \$0.11 per diluted share, mortgage prepayment charge and a swap termination fee without giving effect to the related non-controlling interest of \$231,000, or \$0.01 per diluted share. The 2018 quarter includes a \$1.3 million, or \$0.08 per diluted share, from a gain on an insurance recovery, without giving effect to the related non-controlling interest of \$318,000, or \$0.02 per diluted share, and \$424,000, or \$0.03 per diluted share, from a gain on the sale of real estate.

Funds from Operations [1], or FFO, was \$2.0 million, or \$0.12 per diluted share, for the three months ended September 30, 2019, compared to \$4.1 million, or \$0.26 per diluted share, for the three months ended September 30, 2018. Included in the current quarter were \$1.8 million, or \$0.11 per diluted share, of a mortgage prepayment charge and a swap termination fee.

Adjusted Funds from Operations, or AFFO, for the three months ended September 30, 2019, was \$4.2 million, or \$0.26 per diluted share, compared to \$3.4 million, or \$0.21 per diluted share, in the three months ended September 30, 2018.

[1] A description and reconciliation of non-GAAP financial measures (e.g., FFO, AFFO and NOI) to GAAP financial measures is presented later in this release.

Diluted per share FFO and AFFO were impacted during the quarter ended September 30, 2019 by the approximate increase of 697,000 shares of common stock issued from July 1, 2018 through September 30, 2019. The weighted average price at which such shares were issued was \$13.58.

### **Operating Results:**

As of November 6, 2019, BRT owns or has ownership interests in 39 multi-family properties with 11,178 units, including properties in lease-up. The properties are located across 12 states primarily in the Southeast and Texas. Eight properties are wholly-owned by BRT and the balance are generally owned through consolidated joint ventures in which BRT owns a substantial equity interest.

During the current quarter, average total occupancy at stabilized properties was approximately 94.6 % compared to approximately 93.7% during the corresponding 2018 quarter. Average rental rate per occupied unit at stabilized properties during the current quarter was approximately \$1,042 per month compared to approximately \$1,019 per month during the corresponding 2018 quarter. Stabilized properties include all our consolidated properties, other than those in lease-up or development, and a Katy, Texas property that was damaged by Hurricane Harvey.

Rental revenue for the current three months increased 8.3% to \$33.9 million from \$31.3 million for the three months ended September 30, 2018, due primarily to increased rental revenue at same store properties.

Total expenses for the three months ended September 30, 2019 were \$38.5 million compared to \$37 million for the three months ended September 30, 2018.

Net operating income, or NOI, at same store properties (*i.e.*, Same Store NOI) increased in the current quarter by approximately 11.3% to \$14.9 million.

### **Portfolio Activity:**

During the quarter, BRT acquired a value-add, 200-unit Auburn, Alabama property for \$18.4 million, including \$14.5 million of mortgage debt obtained in connection with the acquisition. The mortgage debt carries a fixed 3.79% interest rate, is interest only for four years and matures in 2031. BRT also sold two Houston, Texas properties for a gain of \$9.0 million, after giving effect to \$894,000 allocated to the non-controlling partner. In connection with the sales, BRT incurred a \$1.4 million prepayment charge, of which \$125,000 was allocated to the non-controlling partner.

### **Balance Sheet:**

At September 30, 2019, BRT had \$18.5 million of cash and cash equivalents, total assets of \$1.2 billion, total debt of \$885.2 million, and total stockholders' equity of \$183.6 million.

At November 1, 2019, BRT's available liquidity was approximately \$32.4 million, including \$14.4 million of cash and cash equivalents, \$10.8 million of restricted cash for property improvements and up to \$7.2 million available under its credit facility. Cash and cash equivalents include amounts held at the property operating level for working capital purposes.

BRT's mortgage debt of \$844.6 million has a weighted average interest rate of 4.19% and a weighted average remaining term to maturity of eight years. Approximately 94.7% of the mortgage debt bears interest at a fixed rate. The balance of such debt represents variable - rate construction financing; BRT anticipates refinancing, with fixed rate mortgage debt, the short-term debt in the near future and the construction financing when lease-up at the related property is complete.

## **Change in Fiscal Year:**

As previously reported, the Company changed its fiscal year end to December 31 from September 30. The change better aligns the Company's fiscal year with the fiscal year of other multi-family REITs. As a result of the change, the Company's 2019 fiscal year began on January 1, 2019 and will end on December 31, 2019 and accordingly, the results reported herein represent the results for the Company's third quarter of 2019.

## **Supplemental Financial Information:**

In an effort to enhance its financial disclosures to investors, BRT has posted a supplemental financial information report which can be accessed on the Company's website at [www.brtapartments.com](http://www.brtapartments.com) under the caption "Investor Relations - Financial Statements and SEC Filings."

## **Non-GAAP Financial Measures:**

BRT discloses FFO, AFFO and NOI 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 (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, 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); 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.

BRT computes 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. BRT defines "Same Store NOI" as NOI for all its properties that were owned for the entirety of the periods being presented, other than properties in lease up, development, and, because of the casualty it suffered in 2017 from Hurricane Harvey, Retreat at Cinco Ranch located in Katy, Texas. Because there is no industry standard definition of NOI and practice is divergent across the industry, the computation of NOI may differ from one REIT to another.

BRT believes that FFO, AFFO and NOI 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 such metrics when reporting their operating results. FFO and AFFO are intended to exclude GAAP historical cost depreciation and amortization of real estate assets, which requires that the carrying value of real estate assets be diminished predictably 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. NOI is used by investors to evaluate and compare the performance of our properties to other comparable properties, to determine trends in

earnings and to compute the fair value of our properties. BRT views Same Store NOI as an important measure of operating performance because it allows a comparison of operating results of properties owned for the entirety of the current and comparable periods and therefore eliminates variations caused by acquisitions or dispositions during the periods.

FFO, AFFO and NOI do not represent net income or cash flows from operations as defined by GAAP. FFO, AFFO and NOI should not be considered to be an alternative to net income as a reliable measure of our operating performance; nor should FFO, AFFO and NOI be considered an alternative to cash flows from operating, investing or financing activities (as defined by GAAP) as measures of liquidity.

### **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 sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed on December 10, 2018 and in the Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed thereafter.

### **Additional Information:**

BRT is a real estate investment trust that owns, operates and develops multi-family properties. Interested parties are urged to review the Form 10-Q to be filed with the Securities and Exchange Commission for the quarter ended September 30, 2019 and the supplemental disclosures regarding the quarter on the investor relations section of the Company's website at: [http://brtapartments.com/investor\\_relations](http://brtapartments.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.brtapartments.com](http://www.brtapartments.com).

Contact: Investor Relations - (516) 466-3100

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

	<b>September 30, 2019</b>	<b>December 31, 2018</b>
<b>ASSETS</b>		
Real estate properties, net of accumulated depreciation	\$ 1,112,896	\$ 1,029,239
Real estate loan	4,300	4,750
Cash and cash equivalents	18,466	32,428
Restricted cash	10,789	8,180
Deposits and escrows	19,916	21,268
Investments in unconsolidated joint ventures	18,020	19,758
Other assets	8,210	8,084
Real estate property held for sale	—	—
Total assets	<u>\$ 1,192,597</u>	<u>\$ 1,123,707</u>
<b>LIABILITIES AND EQUITY</b>		
Mortgages payable, net of deferred costs	\$ 844,597	\$ 771,817
Junior subordinated notes, net of deferred costs	37,058	37,043
Credit facility, net of deferred costs	3,530	—
Accounts payable and accrued liabilities	32,285	24,487
Total Liabilities	<u>917,470</u>	<u>833,347</u>
Total BRT Apartments Corp. stockholders' equity	183,563	198,775
Non-controlling interests	91,564	91,585
Total Equity	<u>275,127</u>	<u>290,360</u>
Total Liabilities and Equity	<u>\$ 1,192,597</u>	<u>\$ 1,123,707</u>



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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Revenues:</b>				
Rental and other revenues from real estate properties	\$ 33,875	\$ 31,283	\$ 97,507	\$ 90,710
Other income	161	198	595	576
Total revenues	<u>34,036</u>	<u>31,481</u>	<u>98,102</u>	<u>91,286</u>
<b>Expenses:</b>				
Real estate operating expenses	16,281	15,661	47,195	44,318
Interest expense	9,845	8,965	28,353	26,408
General and administrative	2,430	2,002	7,455	6,907
Depreciation	9,950	10,416	29,914	29,856
Total expenses	<u>38,506</u>	<u>37,044</u>	<u>112,917</u>	<u>107,489</u>
Total revenue less total expenses	(4,470)	(5,563)	(14,815)	(16,203)
Equity in loss of unconsolidated joint ventures	(259)	(174)	(643)	(364)
Gain on sale of real estate	9,938	424	9,938	52,405
Gain on insurance recovery	—	1,272	517	4,499
Loss on extinguishment of debt	(1,766)	—	(1,766)	(593)
(Loss) income from continuing operations	3,443	(4,041)	(6,769)	39,744
Income tax provision (benefit)	98	97	219	(55)
Net (loss) income from continuing operations, net of taxes	3,345	(4,138)	(6,988)	39,799
Net loss (income) attributable to non-controlling interests	(73)	1,027	1,696	(22,377)
Net (loss) income attributable to common stockholders	<u>\$ 3,272</u>	<u>\$ (3,111)</u>	<u>\$ (5,292)</u>	<u>\$ 17,422</u>
<b>Per share amounts attributable to common stockholders:</b>				
Basic	<u>\$ 0.21</u>	<u>\$ (0.20)</u>	<u>\$ (0.33)</u>	<u>\$ 1.18</u>
Diluted	<u>\$ 0.20</u>	<u>\$ (0.20)</u>	<u>\$ (0.33)</u>	<u>\$ 1.16</u>
<b>Funds from operations - Note 1</b>				
Funds from operations - Note 1	<u>\$ 1,962</u>	<u>\$ 4,080</u>	<u>\$ 8,503</u>	<u>\$ 12,150</u>
Funds from operations per common share - diluted - Note 1	<u>\$ 0.12</u>	<u>\$ 0.26</u>	<u>\$ 0.54</u>	<u>\$ 0.80</u>
<b>Adjusted funds from operations - Note 1</b>				
Adjusted funds from operations - Note 1	<u>\$ 4,177</u>	<u>\$ 3,380</u>	<u>\$ 11,767</u>	<u>\$ 10,558</u>
Adjusted funds from operations per common share - diluted - Note 2	<u>\$ 0.26</u>	<u>\$ 0.21</u>	<u>\$ 0.74</u>	<u>\$ 0.69</u>
<b>Weighted average number of shares of common stock outstanding:</b>				
Basic	<u>15,913,975</u>	<u>15,635,953</u>	<u>15,900,362</u>	<u>14,768,429</u>
Diluted	<u>16,113,975</u>	<u>15,635,953</u>	<u>15,900,362</u>	<u>14,968,429</u>

**BRT APARTMENTS CORP. AND SUBSIDIARIES**  
**FUNDS FROM OPERATIONS**  
(Dollars in thousands, except per share data)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Note 1:				
Funds from operations is summarized in the following table:				
GAAP Net (loss) income attributable to common stockholders	\$ 3,272	\$ (3,111)	(5,292)	17,422
Add: depreciation of properties	9,950	10,416	29,914	29,856
Add: our share of depreciation in unconsolidated joint ventures	562	386	1,496	1,218
Deduct: gain on sale of real estate	(9,938)	(424)	(9,938)	(52,405)
Adjustments for non-controlling interests	(1,884)	(3,187)	(7,677)	16,059
<b><i>NAREIT Funds from operations attributable to common stockholders</i></b>	<b>1,962</b>	<b>4,080</b>	<b>8,503</b>	<b>12,150</b>
Adjustments for: straight-line rent accruals	(10)	(10)	(30)	(30)
Add: loss on extinguishment of debt	1,766	—	1,766	593
Add: amortization of restricted stock and restricted stock units	372	15	1,110	673
Add: amortization of deferred mortgage costs	408	317	1,345	1,073
Deduct gain on insurance recovery	—	(1,272)	(517)	(4,498)
Adjustments for non-controlling interests	(321)	\$ 250	(410)	597
<b><i>Adjusted funds from operations attributable to common stockholders</i></b>	<b>\$ 4,177</b>	<b>\$ 3,380</b>	<b>\$ 11,767</b>	<b>\$ 10,558</b>
Note 2:				
GAAP Net (loss) income attributable to common stockholders	\$ 0.20	\$ (0.20)	\$ (0.33)	\$ 1.16
Add: depreciation of properties	0.63	0.66	1.89	1.99
Add: our share of depreciation in unconsolidated joint ventures	0.03	0.03	0.09	0.08
Deduct: gain on sale of real estate	(0.62)	(0.03)	(0.63)	(3.50)
Adjustment for non-controlling interests	(0.12)	(0.20)	(0.48)	1.07
<b>NAREIT Funds from operations per common stock basic and diluted</b>	<b>0.12</b>	<b>0.26</b>	<b>0.54</b>	<b>0.80</b>
Adjustments for: straight line rent accruals	—	—	—	—
Add: loss on extinguishment of debt	0.11	—	0.11	0.04
Add: amortization of restricted stock and restricted stock units	0.02	—	0.07	0.04
Add: amortization of deferred mortgage costs	0.03	0.01	0.08	0.07
Deduct gain on insurance recovery	—	(0.08)	(0.03)	(0.30)
Adjustments for non-controlling interests	(0.02)	0.02	(0.03)	0.04
<b><i>Adjusted funds from operations per common stock basic and diluted</i></b>	<b>\$ 0.26</b>	<b>\$ 0.21</b>	<b>\$ 0.74</b>	<b>\$ 0.69</b>

**BRT APARTMENTS CORP. AND SUBSIDIARIES**  
**RECONCILIATION OF NOI TO NET INCOME**  
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
GAAP Net income attributable to common stockholders	\$ 3,272	\$ (3,111)	\$ (5,292)	\$ 17,422
Less: Other Income	161	198	595	576
Add: Interest expense	9,845	8,965	28,353	26,408
General and administrative	2,430	2,002	7,455	6,907
Depreciation	9,950	10,416	29,914	29,856
Less: Gain on sale of real estate	9,938	424	9,938	52,405
Gain on insurance proceeds	—	1,272	517	4,499
Add: Loss on extinguishment of debt	(1,766)	—	(1,766)	(593)
Equity in loss of unconsolidated joint ventures	(259)	(174)	(643)	(364)
Provision for taxes	98	97	219	(55)
Add: Net income attributable to non-controlling interests	(73)	1,027	1,696	(22,377)
Net Operating Income (NOI)	\$ 17,594	\$ 15,622	\$ 50,312	\$ 46,392



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# SUPPLEMENTAL FINANCIAL INFORMATION FOR Q3 2019

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November 6, 2019

BRT APARTMENTS CORP.  
60 Cutter Mill Rd., Great Neck, NY 11021



## FORWARD LOOKING STATEMENTS

The information set forth herein 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 provision 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, 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", or similar expressions or variations thereof. Forward-looking statements involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect actual results, performance or achievements. Investors are cautioned not to place undue reliance on any forward-looking statements and are urged to read the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed on December 10, 2018 and in reports filed with the SEC thereafter, including our Quarterly Report on Form 10-Q for the period ended September 30, 2019, that we anticipate will be filed shortly after the furnishing of this document.

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.

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.



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	Quarter ended September 30,		Quarter ended December 31,		
	2019	2018	2018	2017	2016
Market capitalization (thousands)	\$ 232,578	\$ 189,681	\$ 180,111	\$ 165,325	\$113,822
Shares outstanding (thousands)	15,952	15,754	15,744	14,022	13,898
Closing share price	\$ 14.58	\$ 12.04	\$ 11.44	\$ 11.79	\$ 8.19
Quarterly dividend declared per share	\$ 0.22	\$ 0.20	\$ 0.20	\$ 0.18 <sup>(4)</sup>	\$ —
Multi-family properties owned	36	36	35	34	30
Units	10,152 <sup>(1)</sup>	10,121 <sup>(1)</sup>	9,696 <sup>(1)</sup>	9,684	8,624
Average occupancy (2)	94.6 %	93.7 %	93.2 %	91.8 %	93.0 %
Average monthly rental revenue per occupied unit (2)	\$ 1,042	\$ 964	\$ 1,019	\$ 971	\$ 891

Per share data	Quarter ended September 30,		Nine Months ended September 30,	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Earnings per share (basic)	\$0.21	\$(0.20)	\$(0.33)	\$1.18
Earnings per share (diluted)	\$0.20	\$(0.20)	\$(0.33)	\$1.16
FFO per share of common stock (diluted) (3)	\$0.12	\$0.26	\$0.54	\$0.80
AFFO per share of common stock (diluted) (3)	\$0.26	\$0.21	\$0.74	\$0.69

(1) Includes 402 units at a property in lease-up.

(2) For the period presented, average reflects stabilized properties. See definition of stabilized properties on page 14.

(3) See the reconciliation of Funds From Operations, or FFO, and Adjusted Funds From Operations, or AFFO, to net income, as calculated in accordance with GAAP, on page 3, and the definitions of such terms at page 14.

(4) Dividend of \$0.18 was initiated in September 2017.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Revenues:</b>				
Rental revenue	\$ 33,875	\$ 31,283	\$ 97,507	\$ 90,710
Other income	161	198	595	576
Total revenues	<u>34,036</u>	<u>31,481</u>	<u>98,102</u>	<u>91,286</u>
<b>Expenses:</b>				
Real estate operating expenses	16,281	15,661	47,195	44,318
Interest expense	9,845	8,965	28,353	26,408
General and administrative	2,430	2,002	7,455	6,907
Depreciation	9,950	10,416	29,914	29,856
Total expenses	<u>38,506</u>	<u>37,044</u>	<u>112,917</u>	<u>107,489</u>
Total revenues less total expenses	(4,470)	(5,563)	(14,815)	(16,203)
Equity in loss of unconsolidated joint ventures	(259)	(174)	(643)	(364)
Gain on sale of real estate	9,938	424	9,938	52,405
Gain on insurance recoveries	—	1,272	517	4,499
Loss on extinguishment of debt	(1,766)	—	(1,766)	(593)
Income (loss) from continuing operations	3,443	(4,041)	(6,769)	39,744
Income tax provision (benefit)	98	97	219	(55)
Net income (loss) from continuing operations, net of taxes	3,345	(4,138)	(6,988)	39,799
Net (income) loss attributable to non-controlling interests	(73)	1,027	1,696	(22,377)
Net income (loss) attributable to common stockholders	<u>\$ 3,272</u>	<u>\$ (3,111)</u>	<u>\$ (5,292)</u>	<u>\$ 17,422</u>
<b>Weighted average number of shares of common stock outstanding:</b>				
Basic	<u>15,913,975</u>	<u>15,635,953</u>	<u>15,900,362</u>	<u>14,768,429</u>
Diluted	<u>16,113,975</u>	<u>15,635,953</u>	<u>15,900,362</u>	<u>14,968,429</u>
<b>Per share amounts attributable to common stockholders:</b>				
Basic	<u>\$ 0.21</u>	<u>\$ (0.20)</u>	<u>\$ (0.33)</u>	<u>\$ 1.18</u>
Diluted	<u>\$ 0.20</u>	<u>\$ (0.20)</u>	<u>\$ (0.33)</u>	<u>\$ 1.16</u>



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
GAAP Net (loss) income attributable to common stockholders	\$ 3,272	\$ (3,111)	\$ (5,292)	\$ 17,422
Add: depreciation of properties	9,950	10,416	29,914	29,856
Add: our share of depreciation in unconsolidated joint ventures	562	386	1,496	1,218
Deduct: gain on sale of real estate	(9,938)	(424)	(9,938)	(52,405)
Adjustments for non-controlling interests	(1,884)	(3,187)	(7,677)	16,059
<b><i>NAREIT Funds from operations attributable to common stockholders</i></b>	<b>1,962</b>	<b>4,080</b>	<b>8,503</b>	<b>12,150</b>
Adjustments for: straight-line rent accruals	(10)	(10)	(30)	(30)
Add: loss on extinguishment of debt	1,766	—	1,766	593
Add: amortization of restricted stock and restricted stock units	372	15	1,110	673
Add: amortization of deferred mortgage costs	408	317	1,345	1,073
Deduct gain on insurance recovery	—	(1,272)	(517)	(4,498)
Adjustments for non-controlling interests	(321)	250	(410)	597
<b><i>Adjusted funds from operations attributable to common stockholders</i></b>	<b>\$ 4,177</b>	<b>\$ 3,380</b>	<b>\$ 11,767</b>	<b>\$ 10,558</b>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
GAAP Net (loss) income attributable to common stockholders	\$ 0.20	\$ (0.20)	\$ (0.33)	\$ 1.16
Add: depreciation of properties	0.63	0.66	1.89	1.99
Add: our share of depreciation in unconsolidated joint ventures	0.03	0.03	0.09	0.08
Deduct: gain on sale of real estate	(0.62)	(0.03)	(0.63)	(3.50)
Adjustment for non-controlling interests	(0.12)	(0.20)	(0.48)	1.07
<b><i>NAREIT Funds from operations per common stock basic and diluted</i></b>	<b>0.12</b>	<b>0.26</b>	<b>0.54</b>	<b>0.80</b>
Add: loss on extinguishment of debt	0.11	—	0.11	0.04
Add: amortization of restricted stock and restricted stock units	0.02	—	0.07	0.04
Add: amortization of deferred mortgage costs	0.03	0.01	0.08	0.07
Deduct gain on insurance recovery	—	(0.08)	(0.03)	(0.30)
Adjustments for non-controlling interests	(0.02)	0.02	(0.03)	0.04
<b><i>Adjusted funds from operations per common stock basic and diluted</i></b>	<b>\$ 0.26</b>	<b>\$ 0.21</b>	<b>\$ 0.74</b>	<b>\$ 0.69</b>

	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
Real estate properties	\$ 1,112,896	\$ 1,029,239
Real estate loan	4,300	4,750
Cash and cash equivalents	18,466	32,428
Restricted cash	10,789	8,180
Deposits and escrows	19,916	21,268
Investments in unconsolidated joint ventures	18,020	19,758
Other assets	8,210	8,084
Total Assets	<u>\$ 1,192,597</u>	<u>\$ 1,123,707</u>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgages payable, net of deferred costs	\$ 844,597	\$ 771,817
Junior subordinated notes, net of deferred costs	37,058	37,043
Credit facility, net of deferred costs	3,530	—
Accounts payable and accrued liabilities	32,285	24,487
Total Liabilities	<u>917,470</u>	<u>833,347</u>
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; 15,227 and 15,038 shares outstanding	152	150
Additional paid-in capital	218,817	216,981
Accumulated other comprehensive (loss) income	(75)	1,688
Accumulated deficit	<u>(35,331)</u>	<u>(20,044)</u>
Total BRT Apartments Corp. stockholders' equity	183,563	198,775
Non-controlling interests	<u>91,564</u>	<u>91,585</u>
Total Equity	<u>275,127</u>	<u>290,360</u>
Total Liabilities and Equity	<u>\$ 1,192,597</u>	<u>\$ 1,123,707</u>

	Three Months Ended September 30, 2019		
	Consolidated Amount	Non-controlling Interest	BRT's Share (1)
<b>Revenues:</b>			
Rental revenue	\$ 33,875	\$ 9,269	\$ 24,606
Other income	161	—	161
Total revenues	34,036	9,269	24,767
<b>Expenses:</b>			
Real estate operating expense	16,281	4,462	11,819
Interest expense	9,845	2,620	7,225
General and administrative	2,430	—	2,430
Depreciation	9,950	2,778	7,172
Total expenses	38,506	9,860	28,646
Total revenues less total expenses	(4,470)	(591)	(3,879)
Equity in loss of unconsolidated joint ventures	(259)	—	(259)
Gain on sale of real estate	9,938	894	9,044
Loss on extinguishment of debt	(1,766)	(231)	(1,536)
Income from continuing operations	3,443	73	3,370
Income tax provision (benefit)	98	—	98
Net income from continuing operations, net of taxes	\$ 3,345	\$ 73	\$ 3,272
<b>Nine Months ended September 30, 2019</b>			
	Consolidated Amount	Non-controlling Interest	BRT's Share (1)
<b>Revenues:</b>			
Rental revenue	\$ 97,507	\$ 26,271	\$ 71,236
Other income	595	—	595
Total revenues	98,102	26,271	71,831
<b>Expenses:</b>			
Real estate operating expense	47,195	12,763	34,432
Interest expense	28,353	7,396	20,957
General and administrative	7,455	—	7,455
Depreciation	29,914	8,573	21,341
Total expenses	112,917	28,733	84,184
Total revenues less total expenses	(14,815)	(2,462)	(12,353)
Equity in loss of unconsolidated joint ventures	(643)	—	(643)
Gain on sale of real estate	9,938	894	9,044
Gain on insurance recoveries	517	103	414
Loss on extinguishment of debt	(1,766)	(231)	(1,535)
(Loss) from continuing operations	(6,769)	(1,696)	(5,073)
Income tax provision (benefit)	219	—	219
Net (loss) from continuing operations, net of taxes	\$ (6,988)	\$ (1,696)	\$ (5,292)

- (1) This column reflects BRT's share of the applicable line item, after deducting the non-controlling interest applicable to such line item. Except with respect to the gain on sale of real estate and loss on extinguishment of debt, the impact of the non-controlling interest on such line item was calculated based on each joint venture partner's percentage equity interest in the applicable joint venture. Gain on sale of real estate and loss on extinguishment of debt were calculated in accordance with the allocation/distribution provisions of the joint venture operating agreement with respect to the properties sold. Generally, in the event of the sale of a multi-family property owned by a joint venture, as a result of allocation/distribution provisions of the applicable joint venture operating agreement, the allocation and distribution of cash and profits to BRT will be less than that implied by BRT's percentage equity interest in the property.

	At September 30, 2019		
	Consolidated Amount	Non-controlling Interest	BRT's Share (1)
<b>ASSETS</b>			
Real estate properties, net of accumulated depreciation	\$ 1,112,896	\$ 328,832	\$ 784,064
Real estate loan	4,300	—	4,300
Cash and cash equivalents	18,466	3,337	15,129
Restricted cash	10,789	—	10,789
Deposits and escrows	19,916	8,410	11,506
Investments in unconsolidated joint ventures	18,020	—	18,020
Other assets	8,210	1,529	6,681
Total Assets (a)	<u>\$ 1,192,597</u>	<u>\$ 342,108</u>	<u>\$ 850,489</u>
<b>LIABILITIES AND EQUITY</b>			
Liabilities:			
Mortgages payable, net of deferred costs	\$ 844,597	\$ 242,531	\$ 602,066
Junior subordinated notes, net of deferred costs	37,058	—	37,058
Credit facility, net of deferred costs	3,530	—	3,530
Accounts payable and accrued liabilities	32,285	8,013	24,272
Total Liabilities (a)	<u>917,470</u>	<u>250,544</u>	<u>666,926</u>
Commitments and contingencies			
Equity:			
Common stock, \$.01 par value, 300,000 shares authorized; 15,227 and 15,038 shares outstanding			
	152	—	152
Additional paid-in capital	218,817	—	218,817
Accumulated other comprehensive (loss) income	(75)	—	(75)
Accumulated deficit	<u>(35,331)</u>	<u>—</u>	<u>(35,331)</u>
Total BRT Apartments Corp. stockholders' equity	183,563	—	183,563
Non-controlling interests	<u>91,564</u>	<u>91,564</u>	<u>—</u>
Total Equity	275,127	91,564	183,563
Total Liabilities and Equity	<u>\$ 1,192,597</u>	<u>\$ 342,108</u>	<u>\$ 850,489</u>

(1) This column reflects BRT's share of the applicable line item, after deducting the non-controlling interest applicable to such line item. Except with respect to the gain on sale of real estate and loss on extinguishment of debt, the impact of the non-controlling interest on such line item was calculated based on each joint venture partner's percentage equity interest in the applicable joint venture. Gain on sale of real estate and loss on extinguishment of debt were calculated in accordance with the allocation/distribution provisions of the joint venture operating agreement with respect to the properties sold. Generally, in the event of the sale of a multi-family property owned by a joint venture, as a result of allocation/distribution provisions of the applicable joint venture operating agreement, the allocation and distribution of cash and profits to BRT will be less than that implied by BRT's percentage equity interest in the property.

**Quarter ended September 30, 2019**

	Units (3)	Revenues (3)	Property Operating Expenses (3)	NOI (1)	% of NOI Contribution	Average Occupancy (2)	Average Rent per Occ. Unit (2)
Texas	3,096	\$9,348	\$4,949	\$4,399	25%	92.9%	\$1,053
Georgia	1,545	5,480	2,426	3,054	17%	95.8%	1,064
Florida	1,248	4,347	2,124	2,223	13%	94.6%	1,059
Alabama	940	2,500	1,098	1,402	8%	96.8%	879
Mississippi	776	2,346	881	1,465	8%	97.5%	956
Tennessee	702	1,693	880	813	5%	98.1%	1,166
South Carolina	678	2,213	1,205	1,008	6%	91.5%	1,048
Indiana	400	991	614	377	2%	95.4%	706
Missouri	355	1,694	774	920	5%	94.0%	1,499
North Carolina	312	1,144	499	645	4%	90.7%	1,086
Ohio	264	761	302	459	3%	96.4%	921
Virginia	220	984	392	592	3%	95.4%	1,400
Other	—	374	137	237	1%	N/A	N/A
<b>Current Portfolio Totals</b>	<b>10,536</b>	<b>\$33,875</b>	<b>\$16,281</b>	<b>\$17,594</b>	<b>100%</b>	<b>94.1%</b>	<b>\$1,042</b>

**Nine months ended September 30, 2019**

	Units (3)	Revenues (3)	Property Operating Expenses (3)	NOI (1)	% of NOI Contribution	Average Occupancy (2)	Average Rent per Occ. Unit (2)
Texas	3,096	\$29,456	\$15,821	\$13,635	27%	92.0%	\$1,036
Georgia	1,545	15,830	7,171	8,659	17%	94.0%	1,044
Florida	1,248	12,629	5,920	6,709	13%	95.0%	1,039
Alabama	940	5,369	2,314	3,055	6%	96.7%	828
Mississippi	776	6,914	2,578	4,336	9%	97.7%	976
Tennessee	702	4,044	2,239	1,805	4%	97.7%	1,147
South Carolina	678	6,791	3,749	3,042	6%	91.8%	1,056
Indiana	400	2,916	1,742	1,174	2%	96.1%	694
Missouri	355	4,917	2,226	2,691	5%	94.1%	1,460
North Carolina	312	2,447	1,053	1,394	3%	90.8%	1,068
Ohio	264	2,190	940	1,250	3%	94.8%	898
Virginia	220	2,892	1,070	1,822	4%	95.6%	1,382
Other	—	1,112	372	740	1%	N/A	N/A
<b>Current Portfolio Totals</b>	<b>10,536</b>	<b>\$97,507</b>	<b>\$47,195</b>	<b>\$50,312</b>	<b>100%</b>	<b>93.9%</b>	<b>\$1,029</b>

(1) See the reconciliation of NOI to net income, as calculated in accordance with GAAP, at page 13 and the definition at page 14.  
(2) Excludes sold properties and properties that were not stabilized for the full period presented.  
(3) Includes two properties sold during the quarter totaling 384 units.

	Units	Revenues			Property Operating Expenses			NOI		
		2019	2018	% Change	2019	2018	% Change	2019	2018	% Change
Texas	2,444	\$8,244	\$7,890	4.5 %	\$4,356	\$4,483	(2.8)%	\$3,888	\$3,407	14.1 %
Georgia	1,545	5,480	5,079	7.9 %	2,426	2,425	0.0 %	3,054	2,654	15.1 %
Florida	1,248	4,347	3,948	10.1 %	2,124	1,816	17.0 %	2,223	2,132	4.3 %
Mississippi	776	2,346	2,217	5.8 %	881	874	0.8 %	1,465	1,343	9.1 %
South Carolina	412	1,392	1,330	4.7 %	748	759	(1.4)%	644	571	12.8 %
Alabama	412	1,110	1,100	0.9 %	531	512	3.7 %	579	588	(1.5)%
Indiana	400	991	955	3.8 %	614	582	5.5 %	377	373	1.1 %
Tennessee	300	1,112	1,076	3.3 %	435	434	0.2 %	677	642	5.5 %
Ohio	264	761	711	7.0 %	302	332	(9.0)%	459	379	21.1 %
Virginia	220	984	899	9.5 %	392	381	2.9 %	592	518	14.3 %
Missouri	181	1,694	1,523	11.2 %	774	757	2.2 %	920	766	20.1 %
<b>Totals</b>	<b>8,202</b>	<b>\$28,461</b>	<b>\$26,728</b>	<b>6.5 %</b>	<b>\$13,583</b>	<b>\$13,355</b>	<b>1.7 %</b>	<b>\$14,878</b>	<b>\$13,373</b>	<b>11.3 %</b>

	Weighted Average Occupancy			Weighted Average Monthly Rent per Occupied Unit		
	2019	2018	% Change	2019	2018	% Change
Texas	92.9 %	92.7 %	0.2 %	\$1,052	\$1,022	2.9 %
Georgia	95.8 %	93.8 %	2.1 %	1,064	1,007	5.8 %
Mississippi	97.5 %	97.5 %	0.0 %	956	909	5.1 %
Florida	94.6 %	94.6 %	0.0%	1,059	987	7.3 %
South Carolina	93.2 %	93.1 %	0.0 %	1,060	1,019	4.0 %
Alabama	96.7 %	95.3 %	1.5 %	807	813	(0.7)%
Indiana	95.4 %	97.8 %	(2.5)%	706	707	(0.2)%
Tennessee	98.1 %	99.0 %	(0.9)%	1,166	1,122	3.9 %
Ohio	96.4 %	96.3 %	0.1 %	921	858	7.3 %
Virginia	95.4 %	96.8 %	(1.4)%	1,400	1,287	8.7 %
Missouri	94.0 %	92.7 %	1.4 %	1,372	1,431	(4.1)%
<b>Totals</b>	<b>94.9 %</b>	<b>94.4 %</b>	<b>0.5 %</b>	<b>\$1,046</b>	<b>\$1,000</b>	<b>4.6 %</b>

See definition of Same Store on page 14

	Units	Revenues			Property Operating Expenses			NOI		
		2019	2018	% Change	2019	2018	% Change	2019	2018	% Change
Texas	2,163	\$21,809	\$20,871	4.5 %	\$11,492	\$11,259	2.1 %	\$10,317	\$9,612	7.3 %
Georgia	959	9,128	8,823	3.5 %	4,022	3,953	1.7 %	5,106	4,870	4.8 %
Mississippi	776	6,914	6,494	6.5 %	2,578	2,516	2.5 %	4,336	3,978	9.0 %
Florida	518	5,260	4,727	11.3 %	2,421	2,216	9.3 %	2,839	2,511	13.1 %
South Carolina	412	4,154	3,927	5.8 %	2,287	2,203	3.8 %	1,867	1,724	8.3 %
Indiana	400	2,916	2,776	5.0 %	1,742	1,647	5.8 %	1,174	1,129	4.0 %
Tennessee	300	3,242	3,168	2.3 %	1,239	1,185	4.6 %	2,003	1,983	1.0 %
Ohio	264	2,190	2,111	3.7 %	940	947	(0.7)%	1,250	1,164	7.4 %
Virginia	220	2,892	2,691	7.5 %	1,070	981	9.1 %	1,822	1,710	6.5 %
Alabama	412	3,334	3,136	6.3 %	1,500	1,472	1.9 %	1,834	1,664	10.2 %
Missouri	181	2,372	2,278	4.1 %	1,316	1,292	1.9 %	1,056	986	7.1 %
<b>Totals</b>	<b>6,605</b>	<b>\$64,211</b>	<b>\$61,002</b>	<b>5.3 %</b>	<b>\$30,607</b>	<b>\$29,671</b>	<b>3.2 %</b>	<b>\$33,604</b>	<b>\$31,331</b>	<b>7.3 %</b>

	Weighted Average Occupancy			Weighted Average Monthly Rent per Occupied Unit		
	2019	2018	% Change	2019	2018	% Change
Texas	92.4 %	92.0 %	0.4 %	\$1,047	\$1,017	3.0 %
Georgia	93.9 %	93.4 %	0.6 %	998	964	3.5 %
Mississippi	97.1 %	96.8 %	0.3 %	945	880	7.4 %
Florida	96.0 %	91.3 %	5.2 %	1,058	992	6.6 %
South Carolina	93.2 %	92.9 %	0.3 %	1,044	996	4.9 %
Indiana	96.1 %	96.2 %	(0.1)%	694	679	2.2 %
Tennessee	97.7 %	98.6 %	(0.9)%	1,147	1,110	3.4 %
Ohio	94.8 %	96.5 %	(1.8)%	898	834	7.7 %
Virginia	95.6 %	96.2 %	(0.6)%	1,382	1,287	7.3 %
Alabama	96.7 %	94.7 %	2.1 %	804	765	5.0 %
Missouri	92.6 %	86.0 %	7.6 %	1,366	1,551	(11.9)%
<b>Totals</b>	<b>94.5 %</b>	<b>93.7 %</b>	<b>0.9 %</b>	<b>\$1,010</b>	<b>\$977</b>	<b>3.3 %</b>

See definition of Same Store on page 14

## Acquisitions for nine months ended September 30, 2019

Location	Purchase Date	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 (1)	\$ 11,231	65%	\$ 559
Birmingham, Alabama	5/7/2019	328	43,000	32,250	11,625	80%	546
Auburn, Alabama	8/8/2019	200	18,400	14,500	4,320	80%	140
		<u>840</u>	<u>\$ 109,465</u>	<u>\$ 80,097</u>	<u>\$ 27,176</u>		<u>\$ 1,245</u>

## Dispositions for nine months ended September 30, 2019

Location	Sale Date	Units	Sales Price	Gain on Sale	BRT Portion of Gain on Sale	Mortgage Prepayment Charge	BRT Portion of Mortgage Prepayment Charge
Houston, TX (2)	7/11/2019	384	\$ 33,200	\$ 9,938	\$ 9,044	\$ 1,400	\$ 1,275

(1) Mortgage was assumed as part of the acquisition.

(2) Aggregate sale of two properties



**Value-Add Program**

Units Rehabilitated (1)	Estimated Rehab Costs (2)	Estimated Rehab Costs Per unit	Estimated Average Monthly Rent Increase (3)	Estimated Annualized ROI (3)	Estimated units to be renovated (24 months)
256	\$1,229,000	\$4,801	\$104	26%	1,000

- (1) Refers to rehabilitated units at 18 properties with respect to which a new lease or renewal lease was entered into during the period.
- (2) Reflects rehab costs incurred during the current and prior periods with respect to units completed, in which a new lease or renewal lease was entered into during the current period.
- (3) These results are not necessarily indicative of the results that would be generated if such improvements were made across our portfolio of properties or at any particular property. Rents at a property may increase for reasons wholly unrelated to property improvements, such as changes in demand for rental units in a particular market or sub-market.

**Capital Expenditures**

	Consolidated Amount	Non-Controlling Interest	BRT Share of Capital Expenditures (4)
Estimated Recurring Capital Expenditures (1)	\$ 229,000	\$ 51,000	\$ 178,000
Estimated Non-Recurring Capital Expenditures (2)	2,276,000	580,000	1,696,000
<b>Total Capital Expenditures</b>	<b>\$ 2,505,000</b>	<b>\$ 631,000</b>	<b>\$ 1,874,000</b>
Replacements (operating expense) (3)	\$ 838,962	\$ 226,996	\$ 611,966
Estimated Recurring Capital Expenditures and Replacements per unit (10,336 units )	\$ 107	\$ 28	\$ 79

- (1) Recurring capital expenditures represent our estimate of expenditures incurred at the property to maintain the property's existing operations - it excludes revenue enhancing projects.
- (2) Non-recurring capital expenditures represent our estimate of significant improvements to the common areas, property exteriors, or interior units of the property, and revenue enhancing upgrades.
- (3) Replacements are expensed as incurred at the property.
- (4) Based on BRT's equity interest.

Year	Total Principal Payments	Scheduled Amortization	Principal Payments Due at Maturity	Percent of Total Principal Payments Due At Maturity	Weighted Average Interest Rate (1)
2019	\$ 1,444	\$ 1,444	\$ —	0%	—
2020	6,205	6,205	—	0%	—
2021	22,014	8,012	14,002	2%	4.29%
2022	134,348	8,252	126,096	17%	4.59%
2023	43,637	8,311	35,326	5%	4.03%
Thereafter	643,498	70,872	572,626	77%	4.17%
Total	\$ 851,146	\$ 103,096	\$ 748,050	100%	

Weighted Average Remaining Term to Maturity	8.1 years
Weighted Average Interest Rate	4.19%
Debt Service Coverage Ratio for the quarter ended September 30, 2019	1.43 (2)

(1) Based on balloon payments at maturity.

(2) See definition on page 14.

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#### Junior Subordinated Notes

Principal Balance	\$37,400
Interest Rate	3 month LIBOR + 2.00% (i.e, 4.26% at 9/30/2019)
Maturity	April 30, 2036

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#### Credit Facility (as of November 6, 2019)

Maximum Amount Available	Up to \$10,000
Amount Outstanding as of November 6, 2019	\$2,800
Interest Rate	Prime + 0.50% (floor of 5.00%)

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. We define "Same Store NOI" as NOI for all our properties that were owned for the entirety of the periods being presented, other than properties in lease up, development, and, because of the casualty it suffered in 2017 from Hurricane Harvey, Retreat at Cinco Ranch located in Katy, Texas. 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 (loss) income. 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. We view Same Store NOI as an important measure of operating performance because it allows a comparison of operating results of properties owned for the entirety of the current and comparable periods and therefore eliminates variations caused by acquisitions or dispositions during the periods. However, NOI should only be used as an alternative measure of our financial performance.

The following table provides a reconciliation of NOI to net income attributable to common stock holders as computed in accordance with GAAP for the periods presented:

	Three Months ended September 30,		Nine Months ended September 30,	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
GAAP Net income attributable to common stockholders	\$ 3,272	\$ (3,111)	\$ (5,292)	\$ 17,422
Less: Other Income	161	198	595	576
Add: Interest expense	9,845	8,965	28,353	26,408
General and administrative	2,430	2,002	7,455	6,907
Depreciation	9,950	10,416	29,914	29,856
Less: Gain on sale of real estate	9,938	424	9,938	52,405
Gain on insurance proceeds	—	1,272	517	4,499
Add: Loss on extinguishment of debt	(1,766)	—	(1,766)	(593)
Equity in loss of unconsolidated joint ventures	(259)	(174)	(643)	(364)
Provision for taxes	98	97	219	(55)
Add: Net income attributable to non-controlling interests	(73)	1,027	1,696	(22,377)
<b>Net Operating Income</b>	<b>\$ 17,594</b>	<b>\$ 15,622</b>	<b>\$ 50,312</b>	<b>\$ 46,392</b>
Less: Non same store				
Revenues	(5,414)	(4,555)	(33,296)	(29,708)
Operating Expenses	2,698	2,306	16,588	14,647
<b>Same store Net Operating Income</b>	<b>\$ 14,878</b>	<b>\$ 13,373</b>	<b>\$ 33,604</b>	<b>\$ 31,331</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, amortization of deferred mortgage costs and gain on insurance recovery. 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.

**Debt Service Coverage Ratio**

Debt service coverage ratio is net operating income ("NOI") divided by total debt service.

**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.

**Stabilized Properties**

For all periods presented, stabilized properties include all our consolidated properties, other than those in lease-up or development.

**Same Store**

Same store refers to stabilized properties that we and our consolidated joint ventures owned and operated for the entirety of both periods being compared.

Property	City	State	Year Built	Year Acquired	Property Age	Units	Q3 2019 Avg. Occupancy	Q3 2019 Avg. Rent per Occ. Unit	% Ownership
Silvana Oaks	North Charleston	SC	2010	2012	10	208	95.4%	\$ 1,173	100%
Avondale Station	Decatur	GA	1950	2012	70	212	97.0%	1,111	100%
Brixworth at Bridgestreet	Huntsville	AL	1985	2013	35	208	96.5%	730	80%
Newbridge Commons	Columbus	OH	1999	2013	21	264	96.4%	921	100%
Waterside at Castleton	Indianapolis	IN	1983	2014	37	400	95.4%	706	80%
Crossings of Bellevue	Nashville	TN	1985	2014	35	300	98.1%	1,166	80%
Kendall Manor	Houston	TX	1981	2014	39	272	88.8%	809	100%
Avalon	Pensacola	FL	2008	2014	12	276	96.3%	1,086	100%
Parkway Grande	San Marcos	TX	2014	2015	6	192	97.2%	1,075	80%
Woodland Trails	LaGrange	GA	2010	2015	10	236	98.2%	939	100%
Retreat at Cinco Ranch	Katy	TX	2008	2016	12	268	92.7%	1,139	75%
Grove at River Place	Macon	GA	1988	2016	32	240	94.0%	736	80%
Civic Center 1	Southaven	MS	2002	2016	18	392	96.8%	931	60%
Verandas at Shavano Park	San Antonio	TX	2014	2016	6	288	93.5%	1,058	65%
Chatham Court and Reflections	Dallas	TX	1986	2016	34	494	93.3%	956	50%
Waters Edge at Harbison	Columbia	SC	1996	2016	24	204	90.9%	939	80%
Pointe at Lenox Park	Atlanta	GA	1989	2016	31	271	96.6%	1,217	74%
Civic Center 2	Southaven	MS	2005	2016	15	384	98.3%	980	60%
Verandas at Alamo Ranch	San Antonio	TX	2015	2016	5	288	94.8%	1,033	71.9%
Kilburn Crossing	Fredericksburg	VA	2005	2016	15	220	95.4%	1,400	100%
OPOP Towers	St. Louis	MO	2014	2017	6	128	93.1%	1,341	75.5%
OPOP Lofts	St. Louis	MO	2014	2017	6	53	93.1%	1,445	75.5%
Vanguard Heights	Creve Coeur	MO	2016	2017	4	174	95.0%	1,629	78.4%
Mercer Crossing	Dallas	TX	2014/2016	2017	6	509	94.4%	1,288	50%
Jackson Square	Tallahassee	FL	1996	2017	24	242	94.5%	1,075	80%
Magnolia Pointe	Madison	AL	1991	2017	29	204	97.0%	885	80%
Woodland Apartments	Boerne	TX	2007	2017	13	120	95.6%	970	80%
The Avenue	Ocoee	FL	1998	2018	22	522	94.4%	1,075	50%
Parc at 980	Lawrenceville	GA	1997	2018	23	586	94.8%	1,149	50%
Anatole Apartments	Daytona Beach	FL	1986	2018	34	208	92.9%	961	80%
Landings of Carrier Parkway	Grand Prairie	TX	2001	2018	19	281	86.8%	1,040	50%
Crestmont at Thornblade	Greenville	SC	1998	2018	22	266	88.9%	1,028	90%
The Vive at Kellswater	Knappolis	NC	2011	2019	9	312	90.7%	1,086	65%
Somerset at Trussville	Trussville	AL	2007	2019	13	328	97.2%	986	80%
The Village at Lakeside	Auburn	AL	1988	2019	32	200	95.8%	723	80%
<i>Total/Weighted Average</i>					21.3	9,750			

**Lease-Up Project:**

Bell's Bluff	Nashville	TN	2018		1	402			58.1%
<b>Total (Including Lease-Up Projects)</b>						<b>10,152</b>			

Unconsolidated Joint Ventures	City	State	Year Built	Property Age	No. of Units
Canalside Sola (1)	Columbia	SC	2018	1	339
Canalside Lofts	Columbia	SC	2008/2013	12	374
Gateway Oaks	Forney	TX	2016	9	313
<i>Total</i>					<b>1,026</b>

(1) Currently in lease-up