

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 8, 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))

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.

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

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

On May 8, 2019, we issued a press release announcing our results of operations for the three months ended March 31, 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 and are incorporated herein by reference. 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, which we refer to as the 33 Act, 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 May 8, 2019.
<a href="#"><u>99.2</u></a>	Supplemental Financial Information dated May 8, 2019

**SIGNATURE**

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

BRT APARTMENTS CORP.

May 8, 2019

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



## **BRT APARTMENTS CORP. REPORTS FIRST QUARTER RESULTS FOR 2019**

**Great Neck, New York** – May 8, 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 announced operating results for the quarter ended March 31, 2019.

Jeffrey A. Gould, President and Chief Executive Officer stated: “We began 2019 with a solid start. Our team identified a number of investment opportunities in the Southeast that are complementary to our current holdings, including a value-add opportunity near Birmingham, Alabama. In addition, we expanded our funding sources by entering into a line of credit which will provide an additional source of capital to fund accretive acquisitions.”

### **Financial Results:**

Net loss attributable to common stockholders was \$4.2 million, or \$0.27 per diluted share, for the first quarter of 2019, compared to net income of \$25.2 million, or \$ 1.75 per diluted share, for the three months ended March 31, 2018. The 2018 quarter includes \$52.0 million, or \$3.60 per fully diluted share, from gain on sale of real estate, before giving effect to \$25.1 million, or \$1.74 per diluted share, of non-controlling interests.

Funds from Operations, or FFO, was \$3.1 million, or \$0.19 per diluted share, for the quarter ended March 31, 2019, compared to \$5.3 million, or \$0.37 per diluted share, in the corresponding quarter in 2018. FFO for the 2018 quarter includes \$3.2 million, or \$0.22 per diluted share, without giving effect to the non-controlling interest of \$800,000, or \$0.05 per diluted share, from the gain on insurance recovery related to our Retreat at Cinco Ranch, Katy, Texas property. There was no corresponding gain in the current quarter.

AFFO in the 2019 quarter was \$3.7 million, or \$0.23 per diluted share, compared to \$3.8 million, or \$0.26 per diluted share, in the 2018 quarter.

Diluted per share net income, FFO and AFFO were impacted during the quarter ended March 31, 2019 by the approximate 1.4 million increase in the weighted average number of shares of common stock outstanding from April 1, 2018 through March 31, 2019 due primarily to stock issuances pursuant to the Company’s at-the-market equity offering program.

### **Operating Results:**

As of May 8, 2019, BRT owns or has interests in 40 multi-family properties with 11,362 units, including properties in lease-up or owned by unconsolidated joint ventures, and located across 12 states. Most of these properties are 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 93.5%, compared to approximately 92.8% during the 2018 quarter. Average rental rate per occupied unit at stabilized properties during the current quarter was approximately \$1,018 per month compared to approximately \$977 per month during the 2018 quarter. Stabilized properties include all our consolidated properties, other than those in lease-up or development, and for the 2018 quarter, also excludes a Katy, Texas property that was damaged by Hurricane Harvey.

Rental revenue for the current three months increased 4.1% to \$30.7 million from \$29.5 million for the quarter ended March 31, 2018, due primarily to increased rental revenue at same store properties.

Total expenses for the quarter ended March 31, 2019 were \$35.7 million compared to \$34.5 million for the quarter ended March 31, 2018.

### **Portfolio Activity:**

During the current quarter, BRT, through a joint venture in which it has a 65% equity interest, acquired a 312-unit multi-family property located in a suburb of Charlotte, North Carolina for a purchase price of \$48.1 million, including \$33.3 million of mortgage debt assumed in connection with acquisition.

### **Balance Sheet:**

At March 31, 2019, BRT had \$21.1 million of cash and cash equivalents, total assets of \$1.2 billion, total debt of \$845.8 million, and total stockholders' equity of \$191.1 million.

At May 6, 2019, BRT's available liquidity was approximately \$23.5 million, comprising \$14.7 million of cash and cash equivalents, \$7.8 million of restricted cash, and, subject to attainment of requisite borrowing base levels and satisfaction of other conditions, up to \$1 million available under its credit facility.

BRT's mortgage debt of \$808.7 million has a weighted average interest rate of 4.27% and a weighted average remaining term to maturity of 7.9 years. Approximately 92% of the mortgage debt bears interest at a fixed rate. The balance of such debt represents variable rate short-term and 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.

### **Subsequent Events:**

On May 7, 2019, BRT, through a joint venture in which it has an 80% equity interest, acquired a 328-unit multi-family property located in a suburb of Birmingham, Alabama. The purchase price was \$43 million, including \$32.3 million of mortgage debt obtained in connection with the acquisition. The mortgage debt bears an interest rate of 4.19% per year, is interest only until 2025, and matures in 2029. BRT borrowed \$9 million from its credit facility to fund this purchase.

As previously reported, in April 2019, BRT entered into a credit facility with an affiliate of Valley National Bank allowing it to borrow up to \$10 million subject to compliance with borrowing base requirements and other conditions. BRT intends to use the facility to acquire multi-family properties.

### **Change in Fiscal Year:**

As previously reported, the Company changed its fiscal year end from September 30 to December 31. The change is intended to better align the Company's fiscal year with the fiscal year of other multi-family REITs. As a result of the change in fiscal year, 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 first 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 and AFFO because it believes that such metrics are widely recognized and appropriate measure of the performance of an equity REIT.

BRT computes FFO in accordance with the "White Paper on Funds from Operations" issued by the National Association of Real Estate Investment Trusts ("NAREIT") and NAREIT's related guidance. FFO is defined in the White Paper as net income (loss) (computed in accordance with generally accepting accounting principles), excluding gains (or losses) from sales of property, plus depreciation and amortization, plus impairment write-downs of depreciable real estate and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures 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 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.

## **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 March 31, 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>March 31, 2019</b>	<b>December 31, 2018</b>
<b>ASSETS</b>		
Real estate properties, net of accumulated depreciation	\$ 1,077,326	\$ 1,029,239
Real estate loan	4,600	4,750
Cash and cash equivalents	21,062	32,428
Restricted cash	7,813	8,180
Deposits and escrows	14,902	21,268
Investments in unconsolidated joint ventures	19,125	19,758
Other assets	9,087	8,084
Real estate property held for sale	—	—
Real estate loan	<u>\$ 1,153,915</u>	<u>\$ 1,123,707</u>
<b>LIABILITIES AND EQUITY</b>		
Mortgages payable, net of deferred costs	\$ 808,729	\$ 771,817
Junior subordinated notes, net of deferred costs	37,048	37,043
Accounts payable and accrued liabilities	<u>22,620</u>	<u>24,487</u>
Total Liabilities	868,397	833,347
Total BRT Apartments Corp. stockholders' equity	191,066	198,775
Non-controlling interests	<u>94,452</u>	<u>91,585</u>
Total Equity	285,518	290,360
Total Liabilities and Equity	<u>\$ 1,153,915</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 March 31,	
	2019	2018
Revenues:		
Rental and other revenues from real estate properties	\$ 30,702	\$ 29,476
Other income	244	175
Total revenues	<u>30,946</u>	<u>29,651</u>
Expenses:		
Real estate operating expenses	14,814	14,198
Interest expense	8,769	8,657
General and administrative	2,544	2,453
Depreciation	9,617	9,240
Total expenses	<u>35,744</u>	<u>34,548</u>
Total revenue less total expenses	(4,798)	(4,897)
Equity in loss of unconsolidated joint ventures	(223)	(63)
Gain on sale of real estate	—	51,981
Gain on insurance recovery	—	3,227
Loss on extinguishment of debt	—	(593)
(Loss) income from continuing operations	<u>(5,021)</u>	<u>49,655</u>
Income tax provision (benefit)	62	(253)
Net (loss) income from continuing operations, net of taxes	(5,083)	49,908
Net loss (income) attributable to non-controlling interests	836	(24,686)
Net (loss) income attributable to common stockholders	<u>\$ (4,247)</u>	<u>\$ 25,222</u>
Per share amounts attributable to common stockholders:		
Basic	<u>\$ (0.27)</u>	<u>\$ 1.77</u>
Diluted	<u>\$ (0.27)</u>	<u>\$ 1.75</u>
Funds from operations - Note 1	<u>\$ 3,062</u>	<u>\$ 5,334</u>
Funds from operations per common share - diluted - Note 2	<u>\$ 0.19</u>	<u>\$ 0.37</u>
Adjusted funds from operations - Note 1	<u>\$ 3,718</u>	<u>\$ 3,794</u>
Adjusted funds from operations per common share - diluted -Note 2	<u>\$ 0.23</u>	<u>\$ 0.26</u>
Weighted average number of shares of common stock outstanding:		
Basic	<u>15,886,493</u>	<u>14,242,076</u>
Diluted	<u>15,886,493</u>	<u>14,442,076</u>

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

	<b>Three Months Ended March 31,</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	\$ (4,247)	\$ 25,222
Add: depreciation of properties	9,617	9,240
Add: our share of depreciation in unconsolidated joint ventures	467	447
Deduct: gain on sale of real estate	—	(51,981)
Adjustments for non-controlling interests	(2,775)	22,406
<b><i>NAREIT Funds from operations attributable to common stockholders</i></b>	<b>3,062</b>	<b>5,334</b>
Adjustments for: straight-line rent accruals	(10)	(10)
Add: loss on extinguishment of debt	—	593
Add: amortization of restricted stock and restricted stock units	365	297
Add: amortization of deferred mortgage costs	379	373
Deduct gain on insurance recovery	—	(3,227)
Adjustments for non-controlling interests	(78)	\$ 434
<b><i>Adjusted funds from operations attributable to common stockholders</i></b>	<b>\$ 3,718</b>	<b>\$ 3,794</b>
Note 2:		
GAAP Net (loss) income attributable to common stockholders	\$ (0.27)	\$ 1.75
Add: depreciation of properties	0.60	0.64
Add: our share of depreciation in unconsolidated joint ventures	0.03	0.03
Deduct: gain on sale of real estate	—	(3.60)
Adjustment for non-controlling interests	(0.17)	1.55
<b><i>NAREIT Funds from operations per common stock basic and diluted</i></b>	<b>0.19</b>	<b>0.37</b>
Adjustments for: straight line rent accruals	—	—
Add: loss on extinguishment of debt	—	0.04
Add: amortization of restricted stock and restricted stock units	0.02	0.01
Add: amortization of deferred mortgage costs	0.02	0.03
Deduct gain on insurance recovery	—	(0.22)
Adjustments for non-controlling interests	—	0.03
<b><i>Adjusted funds from operations per common stock basic and diluted</i></b>	<b>\$ 0.23</b>	<b>\$ 0.26</b>



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# SUPPLEMENTAL FINANCIAL INFORMATION FOR Q1 2019

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May 8, 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 March 31, 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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## Financial Highlights

	March 31,		December 31		
	2019	2018	2018	2017	2016
<b>Market Information</b>					
Market capitalization	\$ 220,697,483	\$ 167,799,412	\$ 180,111,314	\$ 165,324,544	\$ 113,821,631
Shares outstanding	15,900,395	14,280,801	15,743,996	14,022,438	13,897,635
Closing share price	\$ 13.88	\$ 11.75	\$ 11.44	\$ 11.79	\$ 8.19
Quarterly dividend declared per share	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.18 (4)	\$ -
<b>Portfolio</b>					
Multi-family properties owned	36	34	35	34	30
Units	10,008	9,632 (1)	9,696 (1)	9,684	8,624
Average occupancy (2)	93.5 %	92.8 %	93.2 %	91.8 %	93.3 %
Average monthly rental revenue per occupied unit (2)	\$1,018	\$977	\$1,019	\$971	\$891
<b>Per Share Data</b>					
	Quarter ended March 31,				
	2019	2018			
	(Unaudited)	(Unaudited)			
Earnings per share (basic)	\$ (0.27)	\$ 1.77			
Earnings per share (diluted)	\$ (0.27)	\$ 1.75			
FFO per share of common stock (diluted) (3)	\$ 0.19	\$ 0.37			
AFFO per share of common stock (diluted) (3)	\$ 0.23	\$ 0.26			

(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 13.

(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 13.

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



**Operating Results**  
**(Unaudited)**

*(dollars in thousands, except per share amounts)*

	Quarter ended March 31,	
	2019	2018
Revenues		
Rental revenue	\$ 30,702	\$ 29,476
Other income	244	175
Total revenues	30,946	29,651
Expenses		
Real estate operating expenses	14,814	14,198
Interest expense	8,769	8,657
General and administrative	2,544	2,453
Depreciation	9,617	9,240
Total expenses	35,744	34,548
Total revenues less total expenses	(4,798)	(4,897)
Equity in loss of unconsolidated joint ventures	(223)	(63)
Gain on sale of real estate	-	51,981
Gain on insurance recovery	-	3,227
Loss on extinguishment of debt	-	(593)
(Loss) income from continuing operations	(5,021)	49,655
Income tax provision	62	(253)
Net (loss) income from continuing operations, net of taxes	(5,083)	49,908
Net loss (income) attributable to non-controlling interests	836	(24,686)
Net (loss) income attributable to common stockholders	\$ (4,247)	\$ 25,222
Weighted average number of shares of common stock outstanding:		
Basic	15,886,493	14,242,076
Diluted	15,886,493	14,442,076
Per share amounts attributable to common stockholders:		
Basic	\$ (0.27)	\$ 1.77
Diluted	\$ (0.27)	\$ 1.75



## Funds From Operations (Unaudited)

(dollars in thousands, except per share amounts)

	Quarter ended March 31,	
	2019	2018
GAAP Net (loss) income attributable to common stockholders	\$ (4,247)	\$ 25,222
Add: depreciation of properties	9,617	9,240
Add: our share of depreciation in unconsolidated joint ventures	467	447
Deduct: gain on sales of real estate	-	(51,981)
Adjustment for non-controlling interests	(2,775)	22,406
<b>Funds from operations (FFO) attributable to common stockholders</b>	<b>3,062</b>	<b>5,334</b>
Adjust for straight line rent accruals	(10)	(10)
Add: loss on extinguishment of debt	-	593
Add: amortization of restricted stock and restricted stock units	365	297
Add: amortization of deferred mortgage costs	379	373
Deduct: gain on insurance recovery	-	(3,227)
Adjustment for non-controlling interests	(78)	434
<b>Adjusted funds from operations (AFFO) attributable to common stockholders</b>	<b>\$ 3,718</b>	<b>\$ 3,794</b>
Per share data		
GAAP Net (loss) income attributable to common stockholders	\$ (0.27)	\$ 1.75
Add: depreciation of properties	0.60	0.64
Add: our share of depreciation in unconsolidated joint ventures	0.03	0.03
Deduct: gain on sales of real estate	-	(3.60)
Adjustment for non-controlling interests	(0.17)	1.55
<b>Funds from operations (FFO) attributable to common stockholders</b>	<b>0.19</b>	<b>0.37</b>
Add: loss on extinguishment of debt	-	0.04
Add: amortization of restricted stock and restricted stock units	0.02	0.01
Add: amortization of deferred mortgage costs	0.02	0.03
Deduct: gain on insurance recovery	-	(0.22)
Adjustment for non-controlling interests	-	0.03
<b>Adjusted funds from operations (AFFO) attributable to common stockholders</b>	<b>\$ 0.23</b>	<b>\$ 0.26</b>





**Consolidated Balance Sheets**  
**(Unaudited)**

*(amounts in thousands, except per share amounts)*

	At March 31,	At December 31,		
	2019	2018	2017	2016
<b>Assets</b>				
Real estate properties, net of accumulated depreciation	\$ 1,077,326	\$ 1,029,239	\$ 931,996	\$ 746,183
Real estate loan	4,600	4,750	5,350	5,900
Cash and cash equivalents	21,062	32,428	13,687	51,231
Restricted cash	7,813	8,180	8,074	6,683
Deposits and escrows	14,902	21,268	23,630	18,283
Investments in unconsolidated joint ventures	19,125	19,758	21,115	14,672
Other assets	9,087	8,084	8,933	6,122
<b>Total Assets</b>	<b>\$ 1,153,915</b>	<b>\$ 1,123,707</b>	<b>\$ 1,012,785</b>	<b>\$ 849,074</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Mortgages payable, net of deferred costs	\$ 808,729	\$ 771,817	\$ 712,061	\$ 573,577
Junior subordinated notes, net of deferred costs	37,048	37,043	37,023	37,003
Accounts payable and accrued liabilities	22,620	24,487	20,354	18,873
<b>Total liabilities</b>	<b>868,397</b>	<b>833,347</b>	<b>769,438</b>	<b>629,453</b>
<b>Equity</b>				
Common Stock, \$.01 par value, 300,000 shares authorized; 15,175 issued at March 31, 2019, 15,038 issued at December 31, 2018, and 13,333 Issued at December 31, 2017 and 2016	152	150	133	-
Shares of beneficial interest, \$3 par value per share	-	-	-	39,693
Additional paid in capital	217,344	216,981	202,225	161,639
Accumulated other comprehensive income (loss)	1,082	1,688	1,346	1,666
Accumulated deficit	(27,512)	(20,044)	(33,292)	(32,355)
<b>Total BRT Apartments Corp. stockholders' equity</b>	<b>191,066</b>	<b>198,775</b>	<b>170,412</b>	<b>170,643</b>
Non-controlling interests	94,452	91,585	72,935	48,978
<b>Total Equity</b>	<b>285,518</b>	<b>290,360</b>	<b>243,347</b>	<b>219,621</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,153,915</b>	<b>\$ 1,123,707</b>	<b>\$ 1,012,785</b>	<b>\$ 849,074</b>



**BRT's Share of the Operating Results (Unaudited)**

*(dollars in thousands)*

	Three Months ended March 31, 2019		
	Consolidated Amount	Non-controlling Interest	BRT's Share (1)
Revenues			
Rental revenue	\$ 30,702	\$ 8,189	\$ 22,513
Other income	244	-	244
Total revenues	<u>30,946</u>	<u>8,189</u>	<u>22,757</u>
Expenses			
Real estate operating expenses	14,814	3,994	10,820
Interest expense	8,769	2,256	6,513
General and administrative	2,544	-	2,544
Depreciation	9,617	2,775	6,842
Total expenses	<u>35,744</u>	<u>9,025</u>	<u>26,719</u>
Total revenues less total expenses	(4,798)	(836)	(3,962)
Equity in loss of unconsolidated joint ventures	(223)	-	(223)
Loss from continuing operations	(5,021)	(836)	(4,185)
Income tax provision	62	-	62
Net Loss	<u>\$ (5,083)</u>	<u>\$ (836)</u>	<u>\$ (4,247)</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.



## BRT's Share of the Consolidated Balance Sheets (Unaudited)

*(amounts in thousands, except per share amounts)*

	At March 31, 2019		
	Consolidated Amount	Non-controlling Interest	BRT's Share (1)
<b>Assets</b>			
Real estate properties, net of accumulated depreciation	\$ 1,077,326	\$ 317,512	\$ 759,814
Real estate loan	4,600	-	4,600
Cash and cash equivalents	21,062	3,696	17,366
Restricted cash	7,813	-	7,813
Deposits and escrows	14,902	6,230	8,672
Investments in unconsolidated joint ventures	19,125	-	19,125
Other assets	9,087	2,048	7,039
Total Assets	\$ 1,153,915	\$ 329,486	\$ 824,429
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Mortgages payable, net of deferred costs	\$ 808,729	\$ 230,991	\$ 577,738
Junior subordinated notes, net of deferred costs	37,048	-	37,048
Accounts payable and accrued liabilities	22,620	4,043	18,577
Total liabilities	868,397	235,034	633,363
<b>Equity</b>			
Common Stock, \$.01 par value, 300,000 shares authorized; 15,175 issued	152	-	152
Additional paid in capital	217,344	-	217,344
Accumulated other comprehensive income	1,082	-	1,082
Accumulated deficit	(27,512)	-	(27,512)
Total BRT Apartments Corp. stockholders' equity	191,066	-	191,066
Non-controlling interest	94,452	94,452	-
Total equity	285,518	94,452	191,066
Total Liabilities and Equity	\$ 1,153,915	\$ 329,486	\$ 824,429

(1) This column reflects BRT's share of the applicable line item, after deducting the non-controlling interest applicable to such line item.



## Portfolio Data by State

(dollars in thousands, except monthly rent amounts)

Quarter Ended March 31, 2019

	Units	Revenues	Expenses	NOI (1)	% of NOI Contribution	Average Occupancy (2)	Weighted Average Monthly Rent per Occupied Unit (2)
Texas	3,096	\$ 10,074	\$ 5,400	\$ 4,674	29%	92.3%	\$ 1,032
Georgia	1,545	5,064	2,352	2,712	17%	91.8%	1,027
Florida	1,248	4,044	1,782	2,262	14%	94.6%	1,018
Mississippi	776	2,264	835	1,429	9%	96.6%	936
Tennessee	702	1,084	638	446	3%	98.2%	1,134
South Carolina	678	2,293	1,223	1,070	7%	91.6%	1,065
Alabama	412	1,088	488	600	4%	96.0%	790
Indiana	400	968	537	431	3%	96.1%	700
Missouri	355	1,584	727	857	5%	93.6%	1,428
North Carolina	312	222	99	123	1%	90.7%	800
Ohio	264	713	304	409	3%	94.7%	877
Virginia	220	942	322	620	4%	94.7%	1,365
Other	-	362	107	255	1%	N/A	N/A
<b>Current Portfolio Totals</b>	<b>10,008</b>	<b>\$ 30,702</b>	<b>\$ 14,814</b>	<b>\$ 15,888</b>	<b>100%</b>	<b>93.5%</b>	<b>\$ 1,018</b>

(1) See the reconciliation of NOI to net income, as calculated in accordance with GAAP, at page 12 and the definition at page 13.

(2) Excludes sold properties and properties that were not stabilized for the full period presented.



**Same Store Comparisons  
Quarters Ended March 31,  
2019 and 2018**

*(dollars in thousands, except monthly rent amounts)*

	Units	Revenues			Property Operating Expenses			NOI		
		2019	2018	% Change	2019	2018	% Change	2019	2018	% Change
		\$	\$		\$	\$		\$	\$	
Texas	2,547	\$ 8,270	\$ 7,957	3.9%	\$ 4,482	\$ 4,291	4.5%	\$ 3,788	\$ 3,666	3.3%
Georgia	959	2,914	2,891	0.8%	1,344	1,082	24.2%	1,570	1,809	(13.2%)
Mississippi	776	2,264	2,113	7.1%	835	825	1.2%	1,429	1,288	10.9%
Florida	518	1,721	1,516	13.5%	724	676	7.1%	997	840	18.7%
South Carolina	412	1,366	1,263	8.2%	736	706	4.2%	630	557	13.1%
Indiana	400	968	887	9.1%	537	516	4.1%	431	371	16.2%
Tennessee	300	1,066	1,060	0.6%	381	370	3.0%	685	690	(0.7%)
Ohio	264	713	683	4.4%	304	304	0.0%	409	379	7.9%
Virginia	220	942	963	(2.2%)	322	281	14.6%	620	682	(9.1%)
Alabama	412	1,088	1,008	7.9%	488	468	4.3%	600	540	11.1%
Missouri	181	784	776	1.0%	430	443	(2.9%)	354	333	6.3%
<b>Totals</b>	<b>6,989</b>	<b>\$ 22,096</b>	<b>\$ 21,117</b>	<b>4.6%</b>	<b>\$ 10,583</b>	<b>\$ 9,962</b>	<b>6.2%</b>	<b>\$ 11,513</b>	<b>\$ 11,155</b>	<b>3.2%</b>

	Weighted Average Occupancy			Weighted Average Monthly Rent per Occupied Unit		
	2019	2018	% Change	2019	2018	% Change
				\$	\$	
Texas	92.2%	92.4%	(0.2%)	\$ 1,025	\$ 991	3.4%
Georgia	91.2%	92.4%	(1.3%)	984	975	0.9%
Mississippi	96.7%	96.4%	0.3%	936	871	7.4%
Florida	97.1%	89.2%	8.8%	1,036	991	4.6%
South Carolina	92.6%	91.8%	0.9%	1,032	971	6.3%
Indiana	96.1%	94.3%	1.9%	700	663	5.6%
Tennessee	98.2%	99.0%	(0.8%)	1,134	1,121	1.2%
Ohio	94.7%	95.6%	(0.9%)	877	832	5.5%
Virginia	94.7%	96.4%	(1.8%)	1,365	1,307	4.4%
Alabama	96.0%	95.4%	0.6%	790	754	4.7%
Missouri	91.4%	83.6%	9.3%	1,383	1,586	(12.8%)
<b>Totals</b>	<b>93.8%</b>	<b>93.2%</b>	<b>0.7%</b>	<b>\$ 996</b>	<b>\$ 965</b>	<b>3.3%</b>

See definition of Same Store on page 13



**Acquisitions and Dispositions**  
**Quarter Ended March 31, 2019**  
*(dollars in thousands)*

**Acquisitions**

Location	Purchase Date	No. of Units	Contract Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Acquisition Costs
Kannapolis, NC	3/12/2019	<u>312</u>	<u>\$ 48,624</u>	<u>\$ 33,347</u> (1)	<u>\$ 11,231</u>	<u>65%</u>	<u>\$ 559</u>

**Acquisitions subsequent to March 31, 2019**

Location	Purchase Date	No. of Units	Contract Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Acquisition Costs
Trussville, AL	5/7/2019	<u>328</u>	<u>\$ 43,000</u>	<u>\$ 32,250</u>	<u>\$ 11,625</u>	<u>80%</u>	<u>\$ 546</u>

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



**Value-Add Program and Capital Expenditures  
Quarter Ended March 31, 2019**

**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)
294	\$1,248,000	\$4,245	\$95	27.0%

(1) Refers to rehabilitated units at 17 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 Recurring Capital Expenditures
Estimated Recurring Capital Expenditures (1)	\$ 262,000	\$ 45,000	\$ 217,000
Estimated Non-Recurring Capital Expenditures (2)	1,915,000	576,000	1,339,000
Total Capital Expenditures	\$ 2,177,000	\$ 621,000	\$ 1,556,000
Replacements (3)	\$ 606,405	\$ 138,050	\$ 468,355
Estimated Recurring Capital Expenditures and Replacements per unit (10,008 units )	\$ 87	\$ 18	\$ 69

(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.



**Debt Analysis**  
**As of March 31, 2019**  
*(dollars in thousands)*

**Mortgage Debt Schedule**

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	\$ 33,700	\$ 4,700	\$ 29,000 (3)	4%	4.99%
2020	7,512	7,512	-	0%	-
2021	23,057	9,055	14,002	2%	4.29%
2022	125,670	9,337	116,333	16%	4.56%
2023	54,595	9,029	45,566	6%	4.04%
Thereafter	570,295	67,763	502,532	71%	4.17%
<b>Total</b>	<b>\$ 814,829</b>	<b>\$ 107,396</b>	<b>\$ 707,433</b>	<b>100%</b>	

Weighted Average Remaining Term to Maturity 7.9 years  
 Weighted Average Interest Rate 4.27%  
 Debt Service Coverage Ratio for the quarter ended March 31, 2019 1.40 (2)

- (1) Based on balloon payments at maturity.  
 (2) See definition on page 13.  
 (3) The refinance process is ongoing for the mortgage that matures in 2019.

**Junior Subordinated Notes**

Principal Balance \$37,400  
 Interest Rate 3 month LIBOR + 2.00% (i.e. 4.75% at 3/31/2019)  
 Maturity April 30, 2036

**Credit Facility (as of May 8, 2019)**

Maximum Amount Available (4) \$10,000  
 Amount Outstanding as of May 8, 2019 \$9,000  
 Interest Rate Prime + 0.50% (floor of 5.00%)

- (4) Subject to satisfaction of borrowing base levels and other conditions.





**NON-GAAP FINANCIAL MEASURES  
DEFINITIONS**

*(dollars in thousands)*

We define NOI as total property revenues less total property operating expenses. Property operating expenses exclude, among other things, depreciation and interest expense on the related property. 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. 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 March 31,	
	2019 (Unaudited)	2018 (Unaudited)
GAAP Net income attributable to common stockholders	\$ (4,247)	\$ 25,222
Less: Other Income	(244)	(175)
Add: Interest expense	8,769	8,657
General and administrative	2,544	2,453
Depreciation	9,617	9,240
Less: Gain on sale of real estate	-	(51,981)
Gain on insurance proceeds	-	(3,227)
Add: Loss on extinguishment of debt	-	593
Equity in loss of unconsolidated joint ventures	223	63
Provision for taxes	62	(253)
Add: Net income attributable to non-controlling interests	(836)	24,686
<b>Net Operating Income</b>	<b>\$ 15,888</b>	<b>\$ 15,278</b>



## NON-GAAP FINANCIAL MEASURES DEFINITIONS *(dollars in thousands)*

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### **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.



**Portfolio Table**

As of 5/8/2019

Property	City	State	Year Built	Year Acquired	Property Age	No. of Units	Q1 2019 Avg.	Q1 2019 Avg.	% Ownership
							Occupancy	Rent per Occupied Unit	
Silvana Oaks	North Charleston	SC	2010	2012	10	208	94.3%	\$ 1,141	100%
Avondale Station	Decatur	GA	1950	2012	70	212	94.8%	1,073	100%
Stonecrossing	Houston	TX	1978	2013	42	240	92.2%	869	91%
Pathway	Houston	TX	1979	2013	41	144	93.5%	919	91%
Brixworth at Bridgestreet	Huntsville	AL	1985	2013	35	208	95.6%	752	80%
Newbridge Commons	Columbus	OH	1999	2013	21	264	94.7%	877	100%
Waterside at Castleton	Indianapolis	IN	1983	2014	37	400	96.1%	700	80%
Crossings of Bellevue	Nashville	TN	1985	2014	35	300	98.2%	1,134	80%
Kendall Manor	Houston	TX	1981	2014	39	272	90.1%	805	80%
Avalon	Pensacola	FL	2008	2014	12	276	98.2%	1,025	100%
Parkway Grande	San Marcos	TX	2014	2015	6	192	93.2%	1,066	80%
Woodland Trails	LaGrange	GA	2010	2015	10	236	92.2%	926	100%
Retreat at Cinco Ranch	Katy	TX	2008	2016	12	268	91.4%	1,152	75%
Grove at River Place	Macon	GA	1988	2016	32	240	90.6%	727	80%
Civic Center 1	Southaven	MS	2002	2016	18	392	97.0%	906	60%
Verandas at Shavano Park	San Antonio	TX	2014	2016	6	288	92.5%	1,053	65%
Chatham Court and Reflections	Dallas	TX	1986	2016	34	494	92.7%	944	50%
Waters Edge at Harbison	Columbia	SC	1996	2016	24	204	90.8%	916	80%
Pointe at Lenox Park	Atlanta	GA	1989	2016	31	271	87.9%	1,195	74%
Civic Center 2	Southaven	MS	2005	2016	15	384	96.3%	967	60%
Verandas at Alamo Ranch	San Antonio	TX	2015	2016	5	288	93.3%	998	72%
Kilburn Crossing	Fredericksburg	VA	2005	2016	15	220	94.7%	1,365	100%
OPOP Towers	St. Louis	MO	2014	2017	6	128	92.5%	1,376	76%
OPOP Lofts	St. Louis	MO	2014	2017	6	53	88.7%	1,400	76%
Vanguard Heights	Creve Coeur	MO	2016	2017	4	174	95.8%	1,474	78%
Mercer Crossing	Dallas	TX	2014/2016	2017	5	509	90.9%	1,333	50%
Jackson Square	Tallahassee	FL	1996	2017	24	242	95.8%	1,050	80%
Magnolia Pointe	Madison	AL	1991	2017	29	204	96.4%	827	80%
Woodland Apartments	Boerne	TX	2007	2017	13	120	94.2%	930	80%
The Avenue	Ocoee	FL	1998	2018	22	522	95.7%	1,043	50%
Parc at 980	Lawrenceville	GA	1997	2018	23	586	92.9%	1,095	50%
Anatole Apartments	Daytona Beach	FL	1986	2018	34	208	85.6%	894	80%
Landings of Carrier Parkway	Grand Prairie (Dallas)	TX	2001	2018	19	281	93.4%	987	50%
Crestmont at Thornblade	Greenville	SC	1998	2018	22	266	90.0%	1,118	90%
The VIVE at Kellswater	Knappolis	NC	2011	2019	9	312	90.7%	800	65%
Somerset at Trussville	Trussville	AL	2007	2019	13	328	N/A	N/A	80%
<i>Total/Weighted Average</i>					21.8	9,934			

**Lease-Up Project**

Bell's Bluff	Nashville	TN	2018		1	402			58%
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**Total (Including Lease-Up Projects)**

**10,336**

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	11	374
Gateway Oaks	Forney	TX	2016	4	313
<i>Total</i>					1,026

(1) Currently in lease-up