

**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 18, 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 7.01 Regulation FD Disclosure.

Certain of our executive officers will be meeting with analysts and other persons and may provide such persons with copies of, or discuss the information set forth in, the investor presentation furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K.

The information under this Item 7.01 and Exhibit 99.1 is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The furnishing of the information contemplated by this report is not intended to constitute a determination by us that the information is material or that the dissemination of the information is required by Regulation FD.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|-----------------------------|---|
| <u>99.1</u> | Investor Presentation-November 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. |

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 18, 2019

By: /s/ George Zweier

George Zweier, Vice President
and Chief Financial Officer



Mercer Crossing – Dallas, TX



The Avenue – Ocoee, FL



Pointe at Lenox Park – Atlanta, GA

Investor Presentation

November 2019



Safe Harbor

Certain information contained in this presentation, together with other statements and information publicly disseminated by BRT Apartments Corp. (the "Company"), constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. These statements involve assumptions and forecasts that are based upon our current assessments of certain trends, risks and uncertainties, which assumptions appear to be reasonable to us at the time they are made. 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 the purpose of complying with these safe harbor provisions. Information regarding certain important factors that could

cause actual outcomes or other events to differ materially from any such forward-looking statements appear in the Company's Annual Report on Form 10-K for the year ended September 30, 2018 and the Quarterly Reports on Form 10-Q filed with the SEC thereafter, and in particular the sections of such documents entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect actual results or performance referred to above. We undertake no obligation to publicly update or revise any forward-looking statements included in this presentation, whether as a result of new information, future events or otherwise.



BRT Apartments is an owner and operator of Class B and B+ value-add and select Class A multi-family assets primarily in superior Sun Belt locations. The Company uses its expert real estate and investment experience to maximize risk-adjusted return for its stockholders.



Parkway Grande – San Marcos, TX



Vanguard Heights – Creve Coeur, MO



Verandas at Alamo Ranch – San Antonio, TX



Differentiated Strategy

- Focused on growth markets, targeting assets where we can create value using repositioning and renovation programs
- Extensive JV network mitigating risk and expanding our ability to grow into ideal markets
- Purchase price between \$20 million and \$100 million with BRT's equity contribution of between \$2 million and \$20 million



Stable Portfolio and Robust Pipeline

- Primarily acquire properties with 90+% occupancy
- Strong deal flow from existing network of partners and brokers



Proven Management team, closely aligned with Stockholders

- Management and affiliates owns 39% of the Company's total equity
- Internalized management
- Attractive annual dividend yield of 5.07%¹



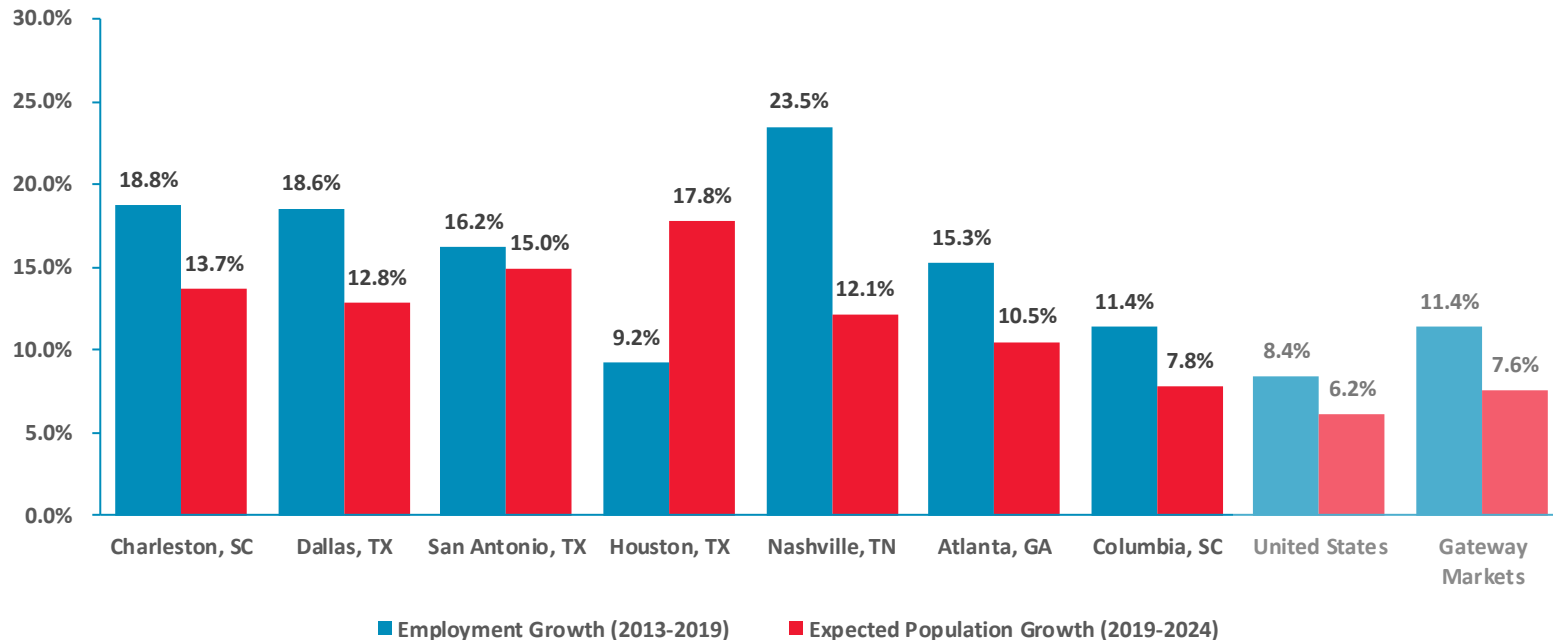
Scalable Growth Opportunity

- Target assets in the Sun Belt with favorable demographics
 - High job growth
 - Outsized population growth

Capitalizing on Favorable Multi-Family Trends



- Multi-family apartments have seen tremendous growth in recent years due to high demand, driven partially by millennial's preference to rent rather than to buy
- Buying opportunities in Sun Belt markets where cap rates are still attractive with positive net migration in the millennial age group moving into the area
- Middle class renters drive demand in our markets, who are more likely to rent Class B, or better, apartments



Proven Senior Management Team

More than 35 Years experience in Multi-family

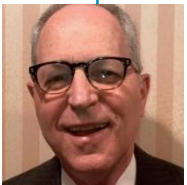


Jeffrey A. Gould,
President and CEO

President and CEO since 2002

Senior Vice President and Member of the Board of Directors of One Liberty Properties, Inc. (NYSE: OLP) since 1999

Vice President of Georgetown Partners, Inc., managing general partner of Gould Investors L.P. since 1996



David W. Kalish,
Senior Vice President, Finance

Senior Vice President – Finance since 1990

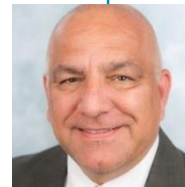
Senior Vice President and CFO of One Liberty Properties Inc. since 1990

Senior Vice President and CFO of Georgetown Partners, managing general partner of Gould Investors L.P. since 1990



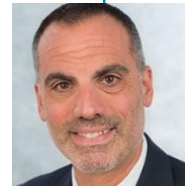
Ryan W. Baltimore,
Senior Vice President

Corporate Strategy and Finance



George E. Zweier,
Chief Financial Officer

Vice President and CFO



Mitchell K. Gould,
Executive Vice President

Acquisitions and Asset Management

Decades of Demonstrated Success in Multi-Family



Pre-2012

- Engaged in lending on commercial and mixed use properties
- Significant involvement in multi-family apartments and other real estate assets



2014-2015

- Fully exited lending and servicing business and acquired 17 properties with 5,680 units
- Started development of 621 units in Greenville, SC and North Charleston, SC
- Announced internalization of management



2018

- Acquired 7 assets, totaling 2,187 units
- Sold 3 properties with 1,386 units
- Increased dividend to \$0.20 per share

1983 – 2012

2012 – PRESENT



2012-2013

- Commenced multi-family investing strategy in 2012 and acquired 5 properties with 1,451 units
- In 2013, acquired 9 properties with 2,334 units



2016-2017

- Acquired 18 assets, totaling 5,064 units, and sold 13 properties with 3,786 units
- Completed development of 350 units in Greenville, SC and acquired a development property with 402 units
- Announced dividend of \$0.18 per share



2019

- Acquired 3 assets, totaling 840 units
- 2 dispositions in 2019, totaling 384 units¹

Source: Company Filings

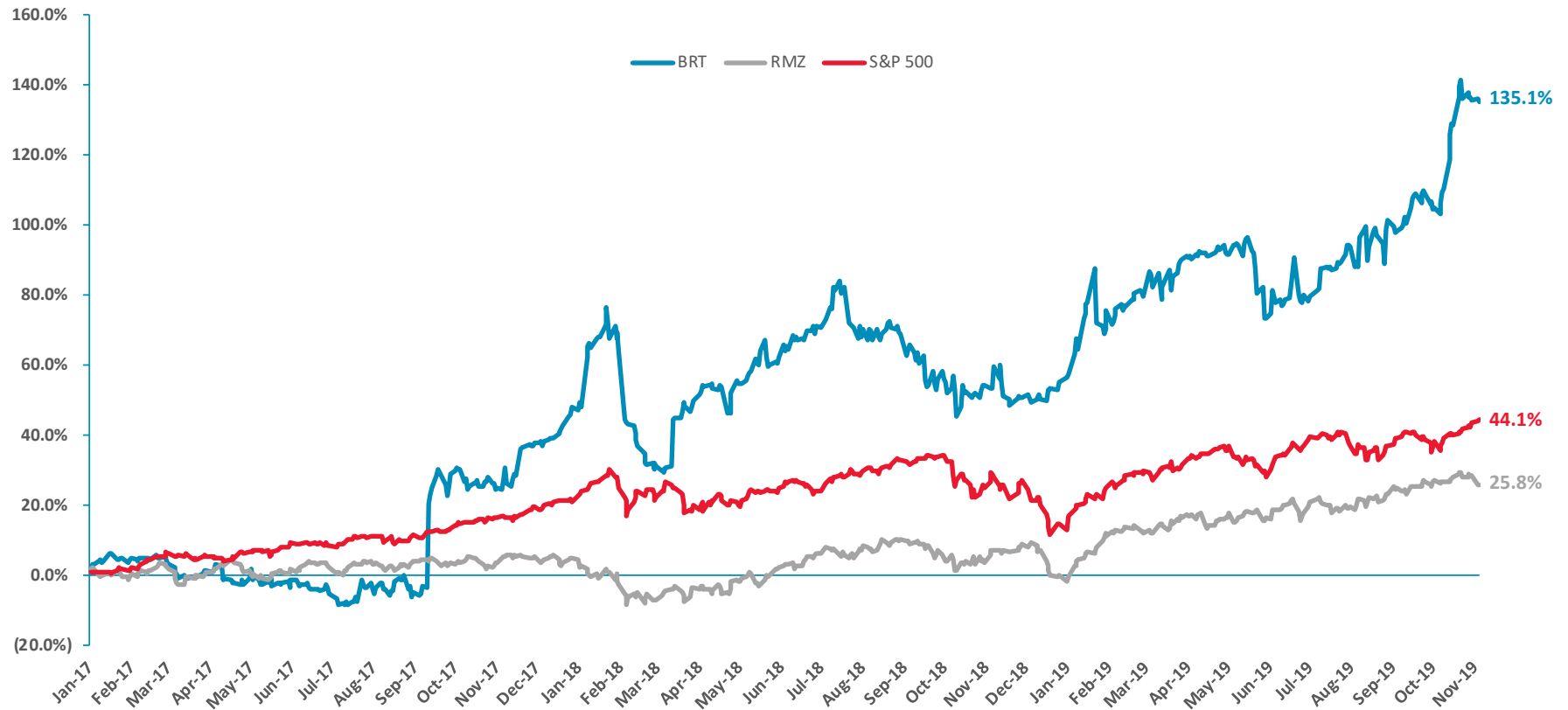
PAGE 7 Note: Some numbers reflect development/lease-up units

[1] As of the quarter ending September 30, 2019

BRT's Total Return Since 2017



- Since January 1, 2017, BRT's total return has been 135.1%, outperforming both the S&P 500 and the MSCI U.S. REIT Index over the same time period by 91.0% and 109.3%, respectively



Differentiated Strategy Creating

Meaningful Value



Focus on Growth Markets

- Target assets with high NOI growth potential
- Create value through re-tenanting, repositioning, and value-add renovations
- Growth through active property management
- High barriers to entry; minimal new development; less institutional competition

JV-Centric Strategy

- JV structure leverages local expertise of joint venture partner network
- Superior flexibility to grow or exit markets versus vertically-integrated REITs

Proven Access to Investment Opportunities

- Significant access to buying opportunities from strong JV partner network
- Broad network of third party management companies and partner relationships
- Flexible acquisition and funding profile; focus on one-off opportunities where major institutional buyers are not active
- BRT's niche is the less competitive, higher returning properties worth up to \$100 million

Joint Venture Strategy

Creating Value through Strong Operating Partnerships



Strong Deal Flow

- Receive numerous opportunities from both existing partners and potential partners through a strong network built from the successful lending platform and equity partnerships in the past
- Have never advertised publicly but continue to see strong deal flow

Flexibility

- Ability to enter and exit markets through a strong network
- High “hit-rate” and efficiencies on deals as we only review deals when under contract
- Have the ability to choose best-in-class third party management companies where the partners do not have a vertically integrated platform

Value-Creation through Local Partners

- Local operators with expertise in specific markets provide value-added opportunities through extensive market knowledge
- Able to get “off-market” deals through the partners’ relationships with local brokers and owners

Acquisition Approach and Strategy

Harnessing Partner Network to Facilitate Capital Deployment



ACTIVE CAPITAL PARTNER

Actively involved in operations and asset management

Strong local partner expertise accelerates site selection and enhances diligence process

CONSERVATIVE UNDERWRITING

Efficient underwriting: management primarily considers deals already under contract by JV Partner, resulting in a high “hit rate”

Leverages relationship with JV partner to enhance quality of due diligence

Working with partner maximizes ability to hone in on best locations for investment

TYPICAL DEAL METRICS

\$4 million to \$20 million equity investment

Generally provide 65% to 80% of equity requirement, pari passu

60% – 65% LTV first mortgage financing

Targeted 7% to 8% cash-on-cash yield day one

Targeted 10% to 20% IRR

Willing to take preferred / senior equity position to enhance returns and mitigate risk

Focus on Growth Markets

Strategically Concentrated in High Employment Markets



STATE



PROPERTIES²



UNITS²



% of NOI CONTRIBUTION³

| | | | |
|--------------------|-----------|---------------|-------------|
| Texas | 10 | 3,096 | 25% |
| Georgia | 5 | 1,545 | 17% |
| Florida | 4 | 1,248 | 13% |
| Alabama | 4 | 940 | 8% |
| Mississippi | 2 | 776 | 8% |
| Tennessee | 2 | 702 | 5% |
| South Carolina | 5 | 678 | 6% |
| Indiana | 1 | 400 | 2% |
| Missouri | 3 | 355 | 5% |
| North Carolina | 1 | 312 | 4% |
| Ohio | 1 | 264 | 3% |
| Virginia | 1 | 220 | 3% |
| Other ¹ | - | - | 1% |
| TOTAL | 39 | 10,536 | 100% |

Source: Company Filings, SNL

[1] Primarily reflects amounts from properties related to a commercial leasehold position in Yonkers, NY

[2] As of September 30, 2019

[3] For the quarter ending September 30, 2019; Average reflects stabilized properties

PAGE 12 [4] Average cost includes total capitalization for renovations

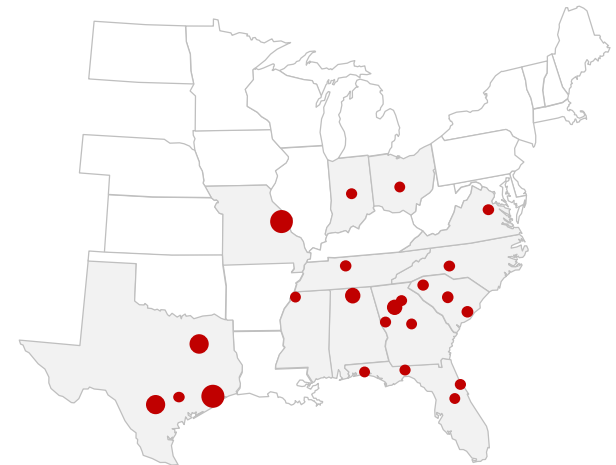
KEY PORTFOLIO FIGURES

Average Monthly Rental Rate³ **\$1,042**

Average Property Age (Years)^{2,3} **20.3**

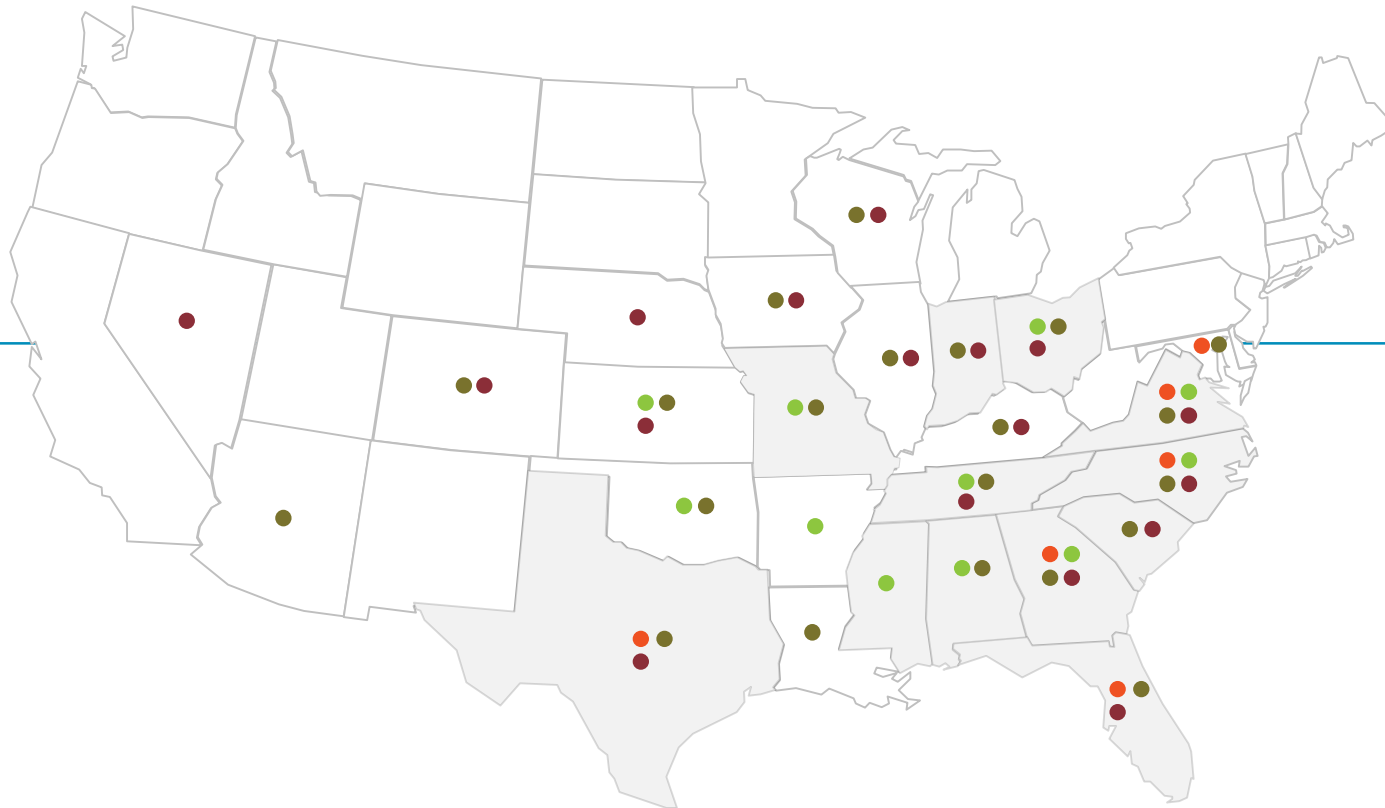
Average Cost per Unit⁴ **\$127.9k**

Geographically Diverse Portfolio



Partnering with Private Owner/Operators

Strong partnerships with national operators who manage/own 100,000+ units



ELECTRA
AMERICA



Somerset Partners



MANAGEMENT SERVICES, LLC

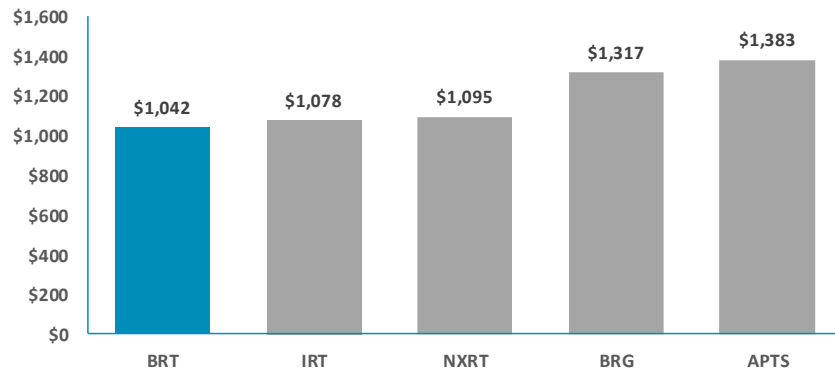


Capital

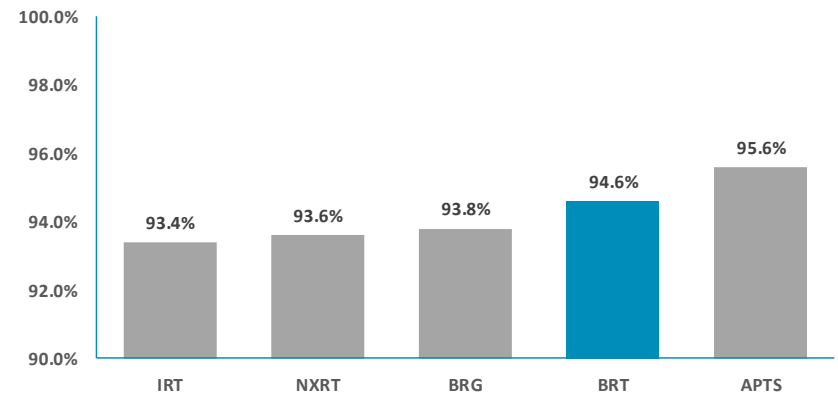
Upside in Rents Due to Strong Value-Add Program and Stable Occupancy



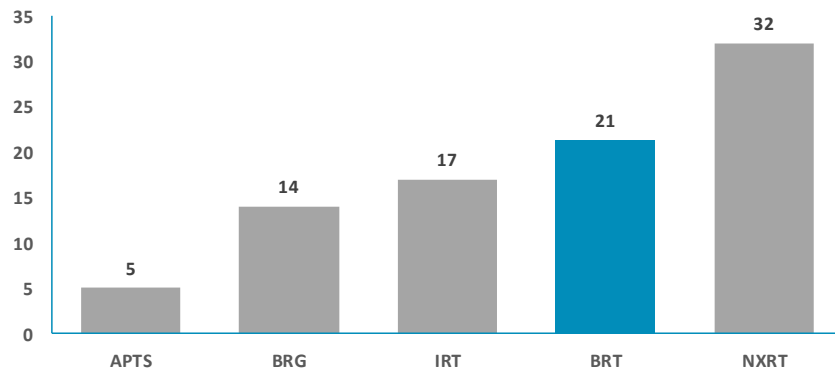
AVERAGE RENT PER UNIT¹



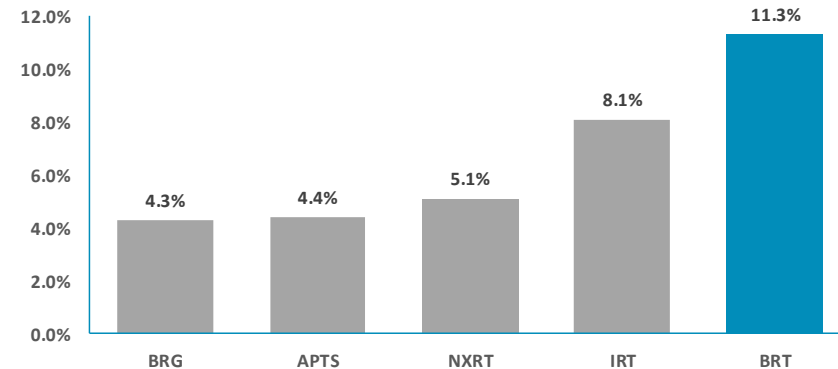
PORTFOLIO OCCUPANCY¹



AVERAGE AGE OF PROPERTY (YEARS)¹



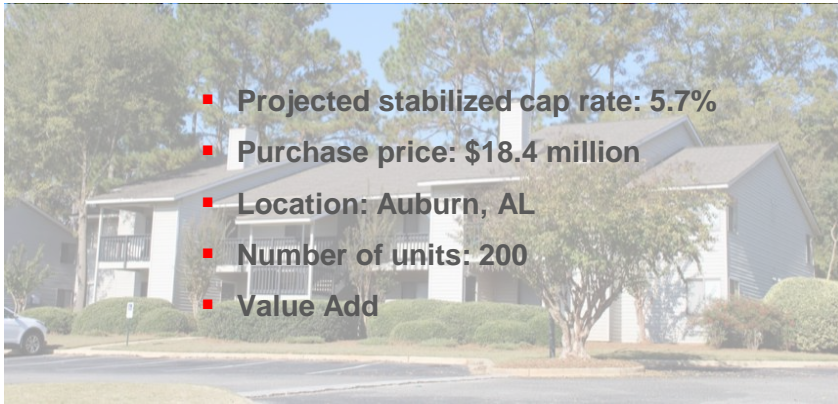
Q3 2019 SAME STORE NOI GROWTH¹



Recent Acquisitions

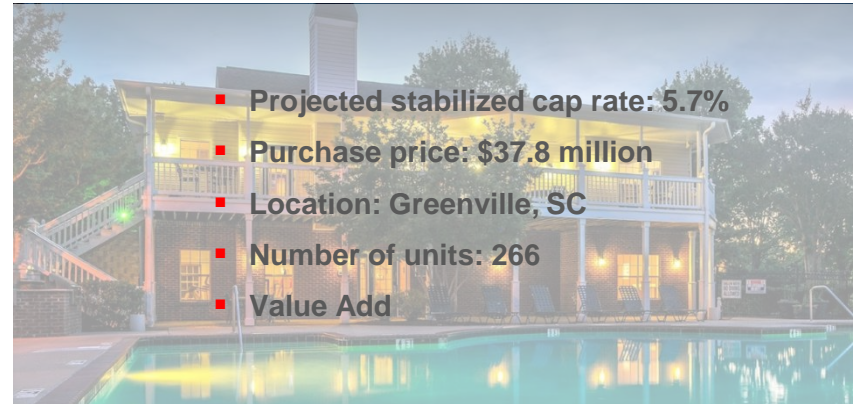


THE VILLAGE AT LAKESIDE



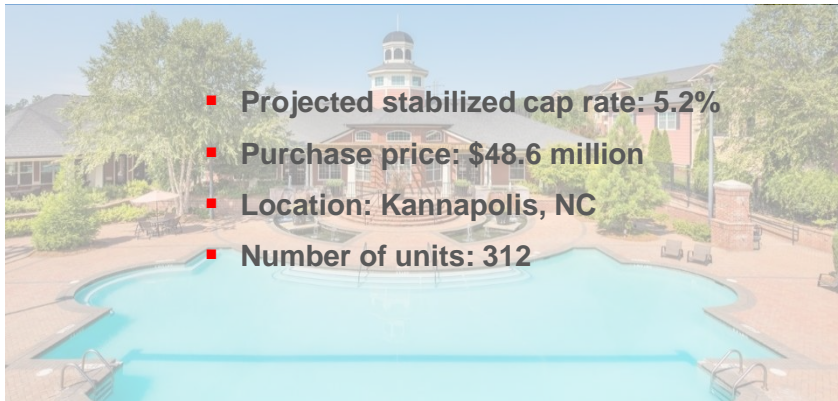
- Projected stabilized cap rate: 5.7%
- Purchase price: \$18.4 million
- Location: Auburn, AL
- Number of units: 200
- Value Add

CRESTMONT AT THORNBLADE



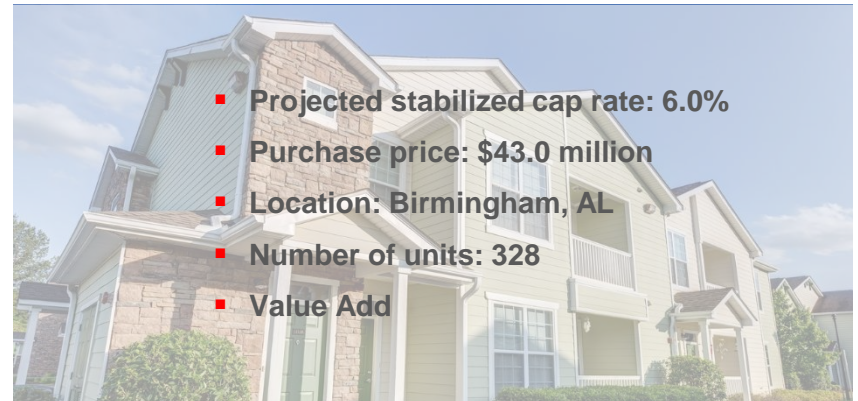
- Projected stabilized cap rate: 5.7%
- Purchase price: \$37.8 million
- Location: Greenville, SC
- Number of units: 266
- Value Add

THE VIVE AT KELLSWATER



- Projected stabilized cap rate: 5.2%
- Purchase price: \$48.6 million
- Location: Kannapolis, NC
- Number of units: 312

SOMERSET AT TRUSSVILLE









- Projected stabilized cap rate: 6.0%
- Purchase price: \$43.0 million
- Location: Birmingham, AL
- Number of units: 328
- Value Add

History of Value Creation



Dispositions

|  |  |  |  |  |  |
|---|---|---|---|---|---|
| DISPOSITION DATE | PROPERTY NAME | LOCATION | # OF UNITS | BRT SHARE OF GAIN ON SALE ¹ | IRR ¹ |
| Jul-15 | Ivy Ridge | Marietta, GA | 207 | \$4.6mm | 31.7% |
| Mar-16 | Grove at Trinity Pointe | Cordova, TN | 464 | \$4.5mm | 21.2% |
| Mar-16 | Mountain Park Estates | Kennesaw, GA | 450 | \$6.3mm | 26.0% |
| Apr-16 | Courtney Station | Pooler, GA | 300 | \$4.3mm | 13.0% |
| Jun-16 | Madison at Schilling Farms | Collierville, TN | 324 | \$3.7mm | 10.0% |
| Jun-16 | Village Green | Little Rock, AK | 172 | \$0.4mm | 10.0% |
| Sep-16 | Sundance | Wichita, KS | 496 | \$5.4mm | 32.0% |
| Oct-16 | Southridge | Greenville, SC | 350 | \$9.2mm | 27.0% |
| Oct-16 | Spring Valley | Panama City, FL | 160 | \$3.9mm | 37.0% |
| Nov-16 | Sandtown Vista | Atlanta, GA | 350 | \$4.7mm | 40.2% |
| Nov-16 | Autumn Brook | Hixson, TN | 156 | \$0.5mm | -5.1% |
| Jul-17 | Meadowbrook | Humble, TX | 260 | \$4.6mm | 23.5% ² |
| Jul-17 | Parkside | Humble, TX | 160 | \$2.8mm | 23.5% ² |
| Jul-17 | Ashwood Park | Pasadena, TX | 144 | \$1.7mm | 23.5% ² |
| Oct-17 | Waverly Place Apartments | Melbourne, FL | 208 | \$10.0mm | 25.0% ³ |
| Feb-18 | Fountains | Palm Beach Gardens, FL | 542 | \$21.2mm | 25.0% ³ |
| Feb-18 | Apartments at the Venue | Valley, AL | 618 | \$5.2mm | 15.7% |
| Nov-18 | The Factory at Garco Park | North Charleston, SC | 271 | \$6.2mm | 20.0% |
| Dec-18 | Cedar Lakes | Lake St. Louis, MO | 420 | \$5.6mm | 15.9% |
| Jul-19 | Stonecrossing | Houston, TX | 384 | \$9.0mm | 17.0%+ |
| TOTAL | | | 6,436 | \$113.8mm | |

Value-Add Case Study: Houston Portfolio

Houston, TX



| PROPERTY DESCRIPTION | ACQUISITION DATA | VALUE ADD UPGRADES |
|--|---|---|
| <ul style="list-style-type: none"> 3 class B multi-family properties located in Humble, TX and Pasadena, TX Built in 1982, 1983, 1984 564 units | <ul style="list-style-type: none"> Purchased for \$22.66mm, or \$40,177, per unit Blended acquisition cap rate of 6.44% (based on projected NOI and total cost) Capex budget of \$1.2mm, or \$2,100 per unit Sold the portfolio for an IRR of 23.5% | <ul style="list-style-type: none"> Upgraded interior units with new refrigerators, range/ovens, and dishwashers as well as new flooring in select units Targeted upgrades that result in the highest return on investment |

VALUE ADD PROGRAM RETURN ON INVESTMENT

Before Renovation



After Renovation

| Property | Average Cost Per Unit | Average Rent Increase | ROI | NOI CAGR over Hold Period |
|-------------|-----------------------|-----------------------|-----|---------------------------|
| Ashwood | \$2,638 | \$83 | 38% | 18% |
| Meadowbrook | \$2,593 | \$96 | 45% | 13% |
| Parkside | \$2,886 | \$86 | 36% | 16% |

Development Transactions

Superior Locations with Limited New Supply



- Pursue Class A / A+ new construction in emerging Southeast US markets
- Willing to provide at least 50% of the required equity with well-capitalized development partners
- Garden style or mid-rise construction
- Targeting unlevered stabilized return of at least 7%

Canalside Sola, Columbia, SC



**Bells Bluff, Nashville, TN
(rendering)**

| Location | Estimated Development Cost | Capital Drawn | Planned Units | Status |
|---------------|----------------------------|---------------|---------------|--------------------------------------|
| Columbia, SC | \$60,697,000 | \$59,781,749 | 339 | ■ Occupancy is 77% as of 9/30/2019 |
| Nashville, TN | \$73,263,000 | \$70,685,001 | 402 | ■ Occupancy is 49.5% as of 9/30/2019 |

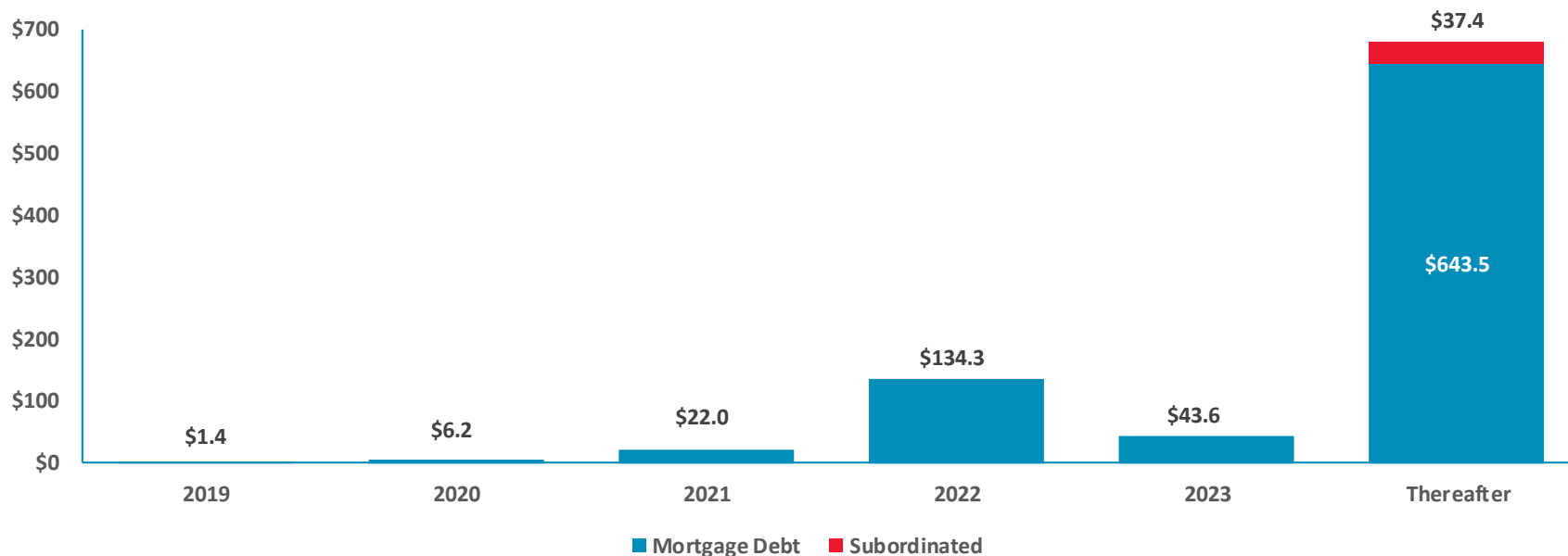
Well Laddered Debt Maturities



- Weighted average interest rate on property debt is 4.19% with a weighted averaged remaining term to maturity of 8.1 years¹
- Attractive corporate level subordinated notes bear interest at the rate of 3M LIBOR + 200bps and mature on April 30, 2036. The rate was 4.26% on September 30, 2019
- At November 1, 2019, BRT had up to \$7.2 million available under its credit facility (not portrayed in the chart below)

PRINCIPAL PAYMENT SCHEDULE

USD in millions



Source: Company Filings

PAGE 19 Note: All data as of the fiscal quarter ending September 30, 2019

[1] Weighted by outstanding mortgage balance

Differentiated Niche Strategy

Scalable Growth Opportunity

**Stable Portfolio and
Robust Pipeline**

**Proven Management
with Close Alignment of Interests**