



A NATIONAL MULTI-FAMILY EQUITY REIT

SERVING OUR CUSTOMERS FOR OVER 35 YEARS

# Supplemental Information

## Quarter Ended June 30, 2017





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# Forward Looking Information

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

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



# Company Profile

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

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



# Market Information, Per Share Data, and Portfolio Data

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

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

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



# Consolidated Balance Sheets

(Dollars in thousands)

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



# Consolidated Statements of Operations

(Dollars in thousands)

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

# Acquisitions and Sales – Quarter ended June 30, 2017

(Dollars in thousands)

## Acquisitions

Location	Purchase Date	No. of Units	Contract Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Acquisition Costs
Creve Coeur, MO	4/4/2017	174	\$ 39,600	\$ 29,000	\$ 9,408	78.0%	\$ 569
Nashville, TN (1)	6/2/2017	402	5,228	-	4,800	58.0%	-
Dallas, TX	6/29/2017	509	85,698	55,200	16,200	50.0%	992
		<u>1085</u>	<u>\$ 130,526</u>	<u>\$ 84,200</u>	<u>\$ 30,408</u>		<u>\$ 1,561</u>

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

## Dispositions Subsequent to June 30, 2017

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





# Funds From Operations/Adjusted Funds From Operations

(Dollars in thousands, except per share amounts)

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



# Debt Information at June 30, 2017

(Dollars in thousands)

## Mortgage Debt

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

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

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

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

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

## Junior Subordinated Notes

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

# Portfolio Summary

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

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

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



# Net Operating Income – Quarterly

(Dollars in thousands)

Quarter ended June 30, 2017  
(Unaudited)

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

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



# Net Operating Income - Prior Fiscal Year

(Dollars in thousands)

Year ended September 30, 2016

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

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



# Reconciliation of Net (Loss) Income to Net Operating Income

(Dollars in thousands)

We define NOI as total property revenues less total property operating expenses. Other REIT's may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REIT's. We believe that this measure provides an operating perspective not immediately apparent from GAAP operating income or net (loss) income. We use NOI to evaluate our performance because it measures the core operations of property performance by excluding corporate level expenses and other items unrelated to property operating performance and captures trends in rental housing and property operating expenses. However, NOI should only be used as an alternative measure of our financial performance.

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

	Quarter Ended June 30, 2017 (Unaudited)	Year Ended September 30, 2016
GAAP Net (loss) income attributable to common stockholders	\$ (3,402)	\$ 31,289
Less: Other Income	(188)	(3,319)
Add: Interest expense	7,180	23,878
Advisor's fees, related party	-	693
Property acquisition costs	-	3,852
General and administrative	2,309	8,536
Depreciation	7,561	23,180
Less: Gain on sale of real estate	-	(46,477)
Gain on sale of partnership interest	-	(386)
Add: Loss on extinguishment of debt	-	4,547
Equity in loss of unconsolidated joint ventures	307	
Provision for taxes	41	700
Discontinued operations:		
Loss from discontinued operations	-	2,788
Less: Gain on sale of partnership interest	-	(15,467)
Net loss (income) attributable to non-controlling interests	(418)	13,869
<b>Net Operating Income</b>	<b>\$ 13,390</b>	<b>\$ 47,683</b>

## Funds from Operations (FFO)

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

## Adjusted Funds from Operations (AFFO)

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

## Total Debt Service

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