



3Q 2018 SUPPLEMENTAL FINANCIAL INFORMATION

August 8, 2018

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



Forward Looking Statements

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 Exchange Act of 1934, as amended. Forward-looking information included herein that is not historical fact is subject to a number of risks and uncertainties, depending upon the risks and uncertainties described in the Company's filings with the Securities and Exchange Commission (SEC), and actual results realized by the Company could differ materially from the forward-looking information included herein. 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. The Company recommends that existing and prospective investors review the information set forth in its Annual Report on Form 10-K for the year ended September 30, 2017 (filed December 14, 2017) and the Quarterly Report on Form 10-Q filed contemporaneously herewith.

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



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Financial Highlights

| | June 30, | | As of September 30, | | |
|--|------------------------|----------------|----------------------------|----------------|---------------|
| | 2018 | 2017 | 2017 | 2016 | 2015 |
| Market Information | | | | | |
| Market capitalization | \$ 192,729,319 | \$ 110,236,744 | \$ 150,320,535 | \$ 111,190,680 | \$ 99,976,487 |
| Shares outstanding | 15,116,025 | 14,025,031 | 14,022,438 | 13,898,835 | 14,101,056 |
| Closing share price | \$ 12.75 | \$ 7.86 | \$ 10.72 | \$ 8.00 | \$ 7.09 |
| Quarterly dividend declared per share | \$ 0.20 | \$ - | \$ - | \$ - | \$ - |
| Portfolio | | | | | |
| Multi-family properties owned | 36 | 35 | 33 | 33 | 28 |
| Units (1) | 10,121 | 9,890 | 9,568 | 9,420 | 8,300 |
| Average occupancy (2) | 93.6 % | 94.0 % | 93.8 % | 92.8 % | 94.5 % |
| Average monthly rental revenue per occupied unit (2) | \$964 | \$936 | \$933 | \$852 | \$810 |
| Per Share Data | | | | | |
| | Quarter ended June 30, | | Nine Months ended June 30, | | |
| | 2018 | 2017 | 2018 | 2017 | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| Earnings per share (basic) | \$ (0.33) | \$ (0.24) | \$ 1.89 | \$ 0.58 | |
| Earnings per share (diluted) | \$ (0.33) | \$ (0.24) | \$ 1.87 | \$ 0.58 | |
| FFO per share of common stock (diluted) (3) | \$ 0.20 | \$ 0.19 | \$ 0.77 | \$ 0.45 | |
| AFFO per share of common stock (diluted) (3) | \$ 0.24 | \$ 0.23 | \$ 0.77 | \$ 0.61 | |

(1) Includes 402 units at a property under development.

(2) Average includes stabilized properties and, for the quarters ended June 30, 2018 and 2017, excludes Retreat at Cinco Ranch due to damage suffered from Hurricane Harvey.

(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.



Operating Results (Unaudited)
(dollars in thousands, except per share amounts)

| | Quarter ended June 30, | | Nine Months ended June 30, | |
|--|------------------------|-------------------|----------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | | | | |
| Rental and other revenue from real estate properties | \$ 29,951 | \$ 26,673 | \$ 87,589 | \$ 76,404 |
| Other income | 203 | 188 | 565 | 980 |
| Total revenues | <u>30,154</u> | <u>26,861</u> | <u>88,154</u> | <u>77,384</u> |
| Expenses | | | | |
| Real estate operating expenses | 14,459 | 13,283 | 42,004 | 37,638 |
| Interest expense | 8,786 | 7,180 | 25,423 | 20,269 |
| General and administrative | 2,452 | 2,309 | 7,208 | 7,296 |
| Depreciation | 10,200 | 7,561 | 28,088 | 21,630 |
| Total expenses | <u>35,897</u> | <u>30,333</u> | <u>102,723</u> | <u>86,833</u> |
| Total revenues less total expenses | (5,743) | (3,472) | (14,569) | (9,449) |
| Equity in loss of unconsolidated joint ventures | (127) | (307) | (215) | (307) |
| Gain on sale of real estate | - | - | 64,500 | 35,838 |
| Gain on insurance recovery | - | - | 3,227 | - |
| Loss on extinguishment of debt | - | - | (850) | (799) |
| (Loss) income from continuing operations | (5,870) | (3,779) | 52,093 | 25,283 |
| Income tax provision (benefit) | 101 | 41 | (46) | 1,499 |
| (Loss) income from continuing operations, net of taxes | (5,971) | (3,820) | 52,139 | 23,784 |
| Net (loss) income attributable to non-controlling interests | 1,282 | 418 | (25,255) | (15,645) |
| Net (loss) income attributable to common stockholders | <u>\$ (4,689)</u> | <u>\$ (3,402)</u> | <u>\$ 26,884</u> | <u>\$ 8,139</u> |
| | | | | |
| Weighted average number of shares of common stock outstanding: | | | | |
| Basic | <u>14,411,940</u> | <u>14,035,074</u> | <u>14,224,680</u> | <u>13,983,495</u> |
| Diluted | <u>14,411,940</u> | <u>14,035,074</u> | <u>14,358,013</u> | <u>13,983,495</u> |
| | | | | |
| Per share amounts attributable to common stockholders: | | | | |
| Basic | <u>\$ (0.33)</u> | <u>\$ (0.24)</u> | <u>\$ 1.89</u> | <u>\$ 0.58</u> |
| Diluted | <u>\$ (0.33)</u> | <u>\$ (0.24)</u> | <u>\$ 1.87</u> | <u>\$ 0.58</u> |



Funds From Operations (Unaudited)

(dollars in thousands, except per share amounts)

| | Quarter ended June 30, | | Nine Months ended June 30, | |
|--|------------------------|-----------------|----------------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| GAAP Net (loss) income attributable to common stockholders | \$ (4,689) | \$ (3,402) | \$ 26,884 | \$ 8,139 |
| Add: depreciation of properties | 10,200 | 7,561 | 28,088 | 21,630 |
| Add: our share of depreciation in unconsolidated joint ventures | 385 | 308 | 1,201 | 521 |
| Deduct: gain on sales of real estate | - | - | (64,500) | (35,838) |
| Adjustment for non-controlling interests | (3,160) | (1,834) | 19,436 | 11,817 |
| Funds from operations (FFO) attributable to common stockholders | 2,736 | 2,633 | 11,109 | 6,269 |
| Adjust for straight line rent accruals | (10) | (10) | (30) | (46) |
| Add: loss on extinguishment of debt | - | - | 850 | 799 |
| Add: amortization of restricted stock and Restricted Stock Units | 361 | 353 | 973 | 1,063 |
| Add: amortization of deferred mortgage costs | 383 | 349 | 1,115 | 874 |
| Deduct: gain on insurance recovery | - | - | (3,227) | - |
| Adjustment for non-controlling interests | (87) | (72) | 220 | (541) |
| Adjusted funds from operations (AFFO) attributable to common stockholders | \$ 3,383 | \$ 3,253 | \$ 11,010 | \$ 8,418 |
| Per share data | | | | |
| GAAP Net (loss) income attributable to common stockholders | \$ (0.33) | \$ (0.24) | \$ 1.87 | \$ 0.58 |
| Add: depreciation of properties | 0.71 | 0.54 | 1.95 | 1.55 |
| Add: our share of depreciation in unconsolidated joint ventures | 0.03 | 0.02 | 0.08 | 0.04 |
| Deduct: gain on sales of real estate | - | - | (4.50) | (2.56) |
| Adjustment for non-controlling interests | (0.21) | (0.13) | 1.37 | 0.84 |
| Funds from operations (FFO) attributable to common stockholders | 0.20 | 0.19 | 0.77 | 0.45 |
| Adjust for straight line rent accruals | - | - | - | - |
| Add: loss on extinguishment of debt | - | - | 0.06 | 0.06 |
| Add: amortization of restricted stock and Restricted Stock Units | 0.02 | 0.03 | 0.06 | 0.08 |
| Add: amortization of deferred mortgage costs | 0.03 | 0.02 | 0.08 | 0.06 |
| Deduct: gain on insurance recovery | - | - | (0.22) | - |
| Adjustment for non-controlling interests | (0.01) | (0.01) | 0.02 | (0.04) |
| Adjusted funds from operations (AFFO) attributable to common stockholders | \$ 0.24 | \$ 0.23 | \$ 0.77 | \$ 0.61 |



Consolidated Balance Sheets

(dollars in thousands)

| | At June 30, 2018 (Unaudited) | At September 30, | | |
|--|------------------------------------|-------------------|-------------------|-------------------|
| | | 2017 | 2016 | 2015 |
| Assets | | | | |
| Real estate properties, net of accumulated depreciation | \$ 1,054,484 | \$ 902,281 | \$ 759,576 | \$ 591,727 |
| Real estate loan | 5,050 | 5,500 | 19,500 | - |
| Cash and cash equivalents | 25,061 | 12,383 | 27,399 | 15,556 |
| Restricted cash | 7,630 | 6,151 | 7,383 | 6,518 |
| Deposits and escrows | 23,265 | 27,839 | 18,972 | 12,782 |
| Investments in unconsolidated joint ventures | 20,542 | 21,415 | 298 | - |
| Other assets | 8,573 | 9,359 | 7,775 | 6,882 |
| Assets of discontinued operations | - | - | - | 163,545 |
| Real estate properties held for sale | - | 8,969 | 33,996 | 23,859 |
| Total Assets | \$ 1,144,605 | \$ 993,897 | \$ 874,899 | \$ 820,869 |
| Liabilities and equity | | | | |
| Liabilities | | | | |
| Mortgages payable, net of deferred costs | \$ 783,532 | \$ 697,826 | \$ 588,457 | \$ 451,159 |
| Junior subordinated notes, net of deferred costs | 37,033 | 37,018 | 36,998 | 36,978 |
| Accounts payable and accrued liabilities | 22,554 | 22,348 | 20,716 | 14,780 |
| Liabilities of discontinued operations | - | - | - | 138,530 |
| Mortgage payable held for sale | - | - | 27,052 | 19,248 |
| Total liabilities | 843,119 | 757,192 | 673,223 | 660,695 |
| Equity | | | | |
| Common Stock, \$.01 par value, 300,000 shares authorized; 14,410 outstanding | 144 | 133 | - | - |
| Shares of beneficial interest, \$3 per value | - | - | 39,696 | 40,285 |
| Additional paid in capital | 214,716 | 201,910 | 161,321 | 161,842 |
| Accumulated other comprehensive income (loss) | 2,408 | 1,000 | (1,602) | (58) |
| Accumulated deficit | (18,626) | (37,047) | (48,125) | (79,414) |
| Total BRT Apartments Corp. stockholders' equity | 198,642 | 165,996 | 151,290 | 122,655 |
| Non-controlling interests | 102,844 | 70,709 | 50,386 | 37,519 |
| Total Equity | 301,486 | 236,705 | 201,676 | 160,174 |
| Total Liabilities and Equity | \$ 1,144,605 | \$ 993,897 | \$ 874,899 | \$ 820,869 |



Pro Rata Operating Results (Unaudited)

(dollars in thousands)

| | Three Months ended June 30, 2018 | | |
|--|----------------------------------|-------------------------|---------------------------------|
| | Consolidated Amount | Noncontrolling Interest | BRT Proportionate Amount (1) |
| Revenues | | | |
| Rental and other revenue from real estate properties | \$ 29,951 | \$ 8,341 | \$ 21,610 |
| Other income | 203 | - | 203 |
| Total revenues | <u>30,154</u> | <u>8,341</u> | <u>21,813</u> |
| Expenses | | | |
| Real estate operating expenses | 14,459 | 4,037 | 10,422 |
| Interest expense | 8,786 | 2,411 | 6,375 |
| General and administrative | 2,452 | - | 2,452 |
| Depreciation | 10,200 | 3,175 | 7,025 |
| Total expenses | <u>35,897</u> | <u>9,623</u> | <u>26,274</u> |
| Total revenues less total expenses | (5,743) | (1,282) | (4,461) |
| Equity in loss of unconsolidated joint ventures | (127) | - | (127) |
| Loss from continuing operations | (5,870) | (1,282) | (4,588) |
| Income Tax Provision | 101 | - | 101 |
| Net loss | <u>\$ (5,971)</u> | <u>\$ (1,282)</u> | <u>\$ (4,689)</u> |

| | Nine Months ended June 30, 2018 | | |
|--|---------------------------------|-------------------------|---------------------------------|
| | Consolidated Amount | Noncontrolling Interest | BRT Proportionate Amount (1) |
| Revenues | | | |
| Rental and other revenue from real estate properties | \$ 87,589 | \$ 23,160 | \$ 64,429 |
| Other income | 565 | - | 565 |
| Total revenues | <u>88,154</u> | <u>23,160</u> | <u>64,994</u> |
| Expenses | | | |
| Real estate operating expenses | 42,004 | 11,161 | 30,843 |
| Interest expense | 25,423 | 6,641 | 18,782 |
| General and administrative | 7,208 | - | 7,208 |
| Depreciation | 28,088 | 8,211 | 19,877 |
| Total expenses | <u>102,723</u> | <u>26,013</u> | <u>76,710</u> |
| Total revenues less total expenses | (14,569) | (2,853) | (11,716) |
| Equity in loss of unconsolidated joint ventures | (215) | - | (215) |
| Gain on sale of real estate | 64,500 | 27,645 | 36,855 |
| Gain on insurance recovery | 3,227 | 807 | 2,420 |
| Loss on extinguishment of debt | (850) | (344) | (506) |
| Income from continuing operations | 52,093 | 25,255 | 26,838 |
| Income tax (benefit) provision | (46) | - | (46) |
| Net income | <u>\$ 52,139</u> | <u>\$ 25,255</u> | <u>\$ 26,884</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 distributions of cash and profits to BRT (as opposed to BRT's joint venture partner) will be less than that implied by BRT's percentage equity interest in the property.



Pro Rata Consolidated Balance Sheets (Unaudited)

(dollars in thousands)

| | At June 30, 2018 | | |
|---|------------------------|----------------------------|------------------------------------|
| | Consolidated Amount | Noncontrolling Interest | BRT Proportionate Amount (1) |
| Assets | | | |
| Real estate properties, net of accumulated depreciation | \$ 1,054,484 | \$ 327,788 | \$ 726,696 |
| Real estate loan | 5,050 | - | 5,050 |
| Cash and cash equivalents | 25,061 | 3,774 | 21,287 |
| Restricted cash | 7,630 | - | 7,630 |
| Deposits and escrows | 23,265 | 10,028 | 13,237 |
| Investments in unconsolidated joint ventures | 20,542 | - | 20,542 |
| Other assets | 8,573 | 2,241 | 6,332 |
| Total Assets | \$ 1,144,605 | \$ 343,831 | \$ 800,774 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Mortgages payable, net of deferred costs | \$ 783,532 | \$ 235,578 | \$ 547,954 |
| Junior subordinated notes, net of deferred costs | 37,033 | - | 37,033 |
| Accounts payable and accrued liabilities | 22,554 | 5,409 | 17,145 |
| Total liabilities | 843,119 | 240,987 | 602,132 |
| Equity | | | |
| Common Stock, \$.01 par value, 300,000 shares authorized; 14,410 outstanding | 144 | - | 144 |
| Additional paid in capital | 214,716 | - | 214,716 |
| Accumulated other comprehensive income | 2,408 | - | 2,408 |
| Accumulated deficit | (18,626) | - | (18,626) |
| Total BRT Apartments Corp. stockholders' equity | 198,642 | - | 198,642 |
| Non-controlling interest | 102,844 | 102,844 | - |
| Total equity | 301,486 | 102,844 | 198,642 |
| Total Liabilities and Equity | \$ 1,144,605 | \$ 343,831 | \$ 800,774 |

(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 June 30, 2018

| | Units (1) | Revenues | Expenses | NOI (2) | % of NOI Contribution | Average Occupancy (3) | Weighted Average Monthly Rent per Occupied Unit (3) |
|----------------|--------------|------------------|------------------|------------------|-----------------------|-----------------------|---|
| Texas | 3,096 | \$ 9,270 (4) | \$ 4,908 (4) | \$ 4,361 | 28% | 92.1% | \$ 997 |
| Georgia | 1,545 | 4,939 | 2,371 | 2,568 | 17% | 92.9% | 990 |
| Florida | 1,248 | 3,737 (5) | 1,734 (5) | 2,004 | 13% | 93.1% | 983 |
| Mississippi | 776 | 2,163 | 817 | 1,347 | 9% | 97.3% | 892 |
| Missouri | 775 | 2,633 | 1,234 | 1,399 | 9% | 92.5% | 966 |
| South Carolina | 683 | 2,290 | 1,229 | 1,061 | 7% | 93.7% | 1,009 |
| Alabama | 412 | 1,029 | 485 | 544 | 3% | 93.3% | 779 |
| Indiana | 400 | 934 | 549 | 385 | 2% | 95.6% | 692 |
| Tennessee | 300 | 1,032 | 381 | 652 | 4% | 97.7% | 1,099 |
| Ohio | 264 | 718 | 311 | 407 | 3% | 97.6% | 850 |
| Virginia | 220 | 829 | 319 | 510 | 3% | 95.3% | 1,280 |
| Other | - | 377 | 123 | 254 | 2% | N/A | N/A |
| Totals | 9,719 | \$ 29,951 | \$ 14,459 | \$ 15,492 | 100% | 93.6% | \$ 964 |

(1) Excludes 402 units under development in West Nashville, TN.

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

(3) Excludes Factory at GARCO and Vanguard Heights, which were not stabilized for the full period, and Retreat at Cinco Ranch.

(4) Includes \$386 and \$224 in revenues and expenses, respectively, relating to a property purchased during the three months ended June 30, 2018.

(5) Includes \$391 and \$177 in revenues and expenses, respectively, relating to a property purchased during the three months ended June 30, 2018.



Same Store Comparisons
Quarter Ended June 30,
2018 and 2017

(dollars in thousands, except monthly rent amounts)

| | Quarter ended June 30, 2018 | | | | | | | | | | |
|----------------|-----------------------------|------------------|------------------|-------------|-----------------------------|-----------------|-------------|-----------------|-----------------|-------------|--|
| | Units | Revenues (2) | | | Property Operating Expenses | | | NOI (2) | | | |
| | | Q3 2018 | Q3 2017 | Growth | Q3 2018 | Q3 2017 | Growth | Q3 2018 | Q3 2017 | Growth | |
| Texas (1) | 1,918 | \$ 5,787 | \$ 5,679 | 1.9% | \$ 3,095 | \$ 3,098 | (0.1%) | \$ 2,692 | \$ 2,581 | 4.3% | |
| Alabama | 208 | 483 | 473 | 2.0% | 218 | 220 | (0.8%) | 265 | 253 | 4.6% | |
| Georgia | 959 | 2,929 | 2,877 | 1.8% | 1,440 | 1,321 | 9.0% | 1,489 | 1,556 | (4.3%) | |
| Missouri | 601 | 1,884 | 1,992 | (5.4%) | 976 | 904 | 8.0% | 908 | 1,088 | (16.5%) | |
| South Carolina | 412 | 1,334 | 1,362 | (2.1%) | 739 | 689 | 7.2% | 595 | 673 | (11.6%) | |
| Indiana | 400 | 934 | 840 | 11.2% | 549 | 540 | 1.6% | 385 | 300 | 28.3% | |
| Mississippi | 776 | 2,163 | 2,093 | 3.4% | 817 | 789 | 3.5% | 1,346 | 1,304 | 3.2% | |
| Tennessee | 300 | 1,032 | 963 | 7.2% | 380 | 432 | (12.1%) | 652 | 531 | 22.8% | |
| Virginia | 220 | 829 | 873 | (5.0%) | 319 | 262 | 21.8% | 510 | 611 | (16.5%) | |
| Florida | 276 | 867 | 784 | 10.6% | 356 | 406 | (12.5%) | 511 | 378 | 35.2% | |
| Ohio | 264 | 718 | 683 | 5.1% | 310 | 371 | (16.3%) | 408 | 312 | 30.6% | |
| Totals | 6,334 | \$ 18,960 | \$ 18,619 | 1.8% | \$ 9,199 | \$ 9,032 | 1.9% | \$ 9,761 | \$ 9,587 | 1.8% | |

| | Quarter ended June 30, 2018 | | | | | | | | | | |
|----------------|-----------------------------|--------------|---------------|---|---------------|-------------|--|--|--|--|--|
| | Weighted Average Occupancy | | | Weighted Average Monthly Rent per Occupied Unit | | | | | | | |
| | Q3 2018 | Q3 2017 | Growth | Q3 2018 | Q3 2017 | Growth | | | | | |
| Texas (1) | 93.1% | 92.2% | 1.0% | \$ 944 | \$ 934 | 1.0% | | | | | |
| Alabama | 90.2% | 95.0% | (5.1%) | 742 | 690 | 7.6% | | | | | |
| Georgia | 93.2% | 95.2% | (2.1%) | 966 | 935 | 3.4% | | | | | |
| Missouri | 91.5% | 92.0% | (0.5%) | 966 | 1,019 | (5.2%) | | | | | |
| South Carolina | 93.7% | 94.7% | (1.1%) | 1,009 | 1,018 | (0.9%) | | | | | |
| Indiana | 95.6% | 90.7% | 5.4% | 692 | 644 | 7.4% | | | | | |
| Mississippi | 97.3% | 96.5% | 0.8% | 892 | 860 | 3.8% | | | | | |
| Tennessee | 97.7% | 95.8% | 2.0% | 1,099 | 1,037 | 5.9% | | | | | |
| Virginia | 95.3% | 95.7% | (0.4%) | 1,280 | 1,280 | 0.1% | | | | | |
| Florida | 92.9% | 91.4% | 1.6% | 997 | 930 | 7.2% | | | | | |
| Ohio | 97.6% | 96.7% | 0.9% | 850 | 814 | 4.4% | | | | | |
| Totals | 94.1% | 94.2% | (0.1%) | \$ 942 | \$ 924 | 1.9% | | | | | |

(1) Excludes Retreat at Cinco Ranch in Katy, TX that suffered significant damage as a result of Hurricane Harvey.

(2) Generally, negative variances in Revenues and NOI are, among other things, due to higher turnover, changes in occupancy, increases in real estate taxes, and/or increases in insurance. With regards to taxes, when a property is reassessed at a higher value, we generally appeal the reassessment if we feel that we can obtain a reduction in the taxes - if successful, the reduction will typically be reflected in the following year.

See definition of Same Store on page 13



**Same Store Comparisons
Nine Months ended June 30,
2018 and 2017**

(dollars in thousands, except monthly rent amounts)

| 2018 YTD Results | Units | Revenues (1) | | | Property Operating Expenses | | | NOI (1) | | |
|------------------|--------------|------------------|------------------|-------------|-----------------------------|------------------|-------------|------------------|------------------|-------------|
| | | 2018 | 2017 | Growth | 2018 | 2017 | Growth | 2018 | 2017 | Growth |
| Texas | 1,918 | \$ 17,134 | \$ 16,491 | 3.9% | \$ 9,577 (2) | \$ 9,243 | 3.6% | \$ 7,557 | \$ 7,248 | 4.3% |
| Georgia | 959 | 8,716 | 8,351 | 4.4% | 3,767 | 3,910 | (3.7%) | 4,949 | 4,441 | 11.4% |
| Mississippi | 776 | 6,400 | 6,193 | 3.3% | 2,366 | 2,393 | (1.1%) | 4,034 | 3,800 | 6.2% |
| Missouri | 420 | 3,323 | 3,188 | 4.2% | 1,751 | 1,407 | 24.4% | 1,572 | 1,781 | (11.7%) |
| South Carolina | 412 | 3,869 | 3,972 | (2.6%) | 2,153 | 2,036 | 5.7% | 1,716 | 1,936 | (11.4%) |
| Indiana | 400 | 2,734 | 2,483 | 10.1% | 1,605 | 1,520 | 5.5% | 1,129 | 963 | 17.3% |
| Tennessee | 300 | 3,139 | 2,972 | 5.6% | 1,156 | 1,217 | (4.9%) | 1,983 | 1,755 | 13.0% |
| Ohio | 264 | 2,094 | 1,992 | 5.1% | 914 | 929 | (1.6%) | 1,180 | 1,063 | 11.0% |
| Florida | 234 | 2,440 | 2,390 | 2.1% | 1,047 | 1,136 | (7.9%) | 1,393 | 1,254 | 11.1% |
| Alabama | 208 | 1,461 | 1,409 | 3.7% | 657 | 625 | 5.1% | 804 | 784 | 2.6% |
| Totals | 5,891 | \$ 51,310 | \$ 49,441 | 3.8% | \$ 24,993 | \$ 24,416 | 2.4% | \$ 26,317 | \$ 25,025 | 5.2% |

| 2018 YTD Results | Weighted Average Occupancy | | | Weighted Average Monthly Rent per Occupied Unit | | |
|------------------|----------------------------|--------------|---------------|---|---------------|-------------|
| | 2018 | 2017 | Growth | 2018 | 2017 | Growth |
| Texas | 93.6% | 91.4% | 2.5% | \$ 935 | \$ 922 | 1.4% |
| Georgia | 93.3% | 94.2% | (1.0%) | 964 | 922 | 4.5% |
| Mississippi | 96.8% | 96.2% | 0.6% | 880 | 855 | 2.9% |
| Missouri | 94.8% | 92.4% | 2.6% | 771 | 788 | (2.2%) |
| South Carolina | 92.3% | 94.5% | (2.4%) | 996 | 1,003 | (0.7%) |
| Indiana | 95.4% | 90.0% | 6.0% | 681 | 642 | 6.2% |
| Tennessee | 98.5% | 97.1% | 1.4% | 1,110 | 1,063 | 4.4% |
| Ohio | 97.1% | 96.8% | 0.3% | 834 | 793 | 5.2% |
| Florida | 89.9% | 89.8% | 0.1% | 989 | 970 | 2.0% |
| Alabama | 94.0% | 95.8% | (1.9%) | 729 | 687 | 6.2% |
| Totals | 93.3% | 94.3% | (1.1%) | \$ 907 | \$ 886 | 2.4% |

(1) Generally, negative variances in Revenues and NOI are, among other things, due to higher turnover, changes in occupancy, and/or increases in taxes.

(2) Includes \$156 of expenses relating to casualty loss from Hurricane Harvey and a \$354 increase in real estate taxes.



Multi-Family Acquisitions and Dispositions
Quarter Ended
June 30, 2018
(dollars in thousands)

Acquisitions during Quarter ended June 30, 2018

| Location | Purchase Date | No. of Units | Contract Purchase Price | Acquisition Mortgage Debt | Initial BRT Equity | Ownership Percentage | Capitalized Acquisition Costs |
|----------------------------|---------------|--------------|-------------------------|---------------------------|--------------------|----------------------|-------------------------------|
| Daytona FL | 4/30/2018 | 208 | \$ 20,500 | \$ 13,608 | \$ 6,900 | 80% | \$ 386 |
| Grand Prairie (Dallas), TX | 5/17/2018 | 281 | 30,800 | 18,995 | 7,300 | 50% | 411 |
| | | <u>489</u> | <u>\$ 51,300</u> | <u>\$ 32,603</u> | <u>\$ 14,200</u> | | <u>\$ 797</u> |

Dispositions

None

Value-Add Information
Quarter Ended
June 30, 2018

| Units Completed (1) | Estimated Rehab Costs (2) | Estimated Rehab Costs Per unit | Estimated Average Monthly Rent Increase (3) | Annual ROI (3) |
|---------------------|---------------------------|--------------------------------|---|----------------|
| 227 | \$890,425 | \$3,923 | \$65 | 19.9% |

- (1) Refers to rehabilitated units at 19 properties with respect to which a new lease or renewal lease was entered into during the period.
- (2) Reflects 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.



Debt Analysis
As of June 30, 2018
(in thousands)

Mortgage Debt

| Year | Total Principal Payments | Scheduled Amortization | Principal Payments Due at Maturity | Percent of Total Principal Payments Due At Maturity | Weighted Average Interest Rate (1) |
|--------------|-----------------------------|---------------------------|---------------------------------------|--|--|
| 2018 | \$ 30,416 | \$ 1,416 | \$ 29,000 (3) | 4% | 4.57% |
| 2019 | 5,821 | 5,821 | - | - | - |
| 2020 | 62,623 | 6,879 | 55,744 | 8% | 3.68% |
| 2021 | 22,624 | 8,622 | 14,002 | 2% | 4.29% |
| 2022 | 49,519 | 16,088 | 33,431 | 5% | 4.42% |
| Thereafter | 619,202 | 46,224 | 572,978 | 81% | 4.13% |
| Total | \$ 790,205 | \$ 85,050 | \$ 705,155 | 100% | |

| | |
|---|-----------|
| Weighted Average Remaining Term to Maturity | 7.2 years |
| Weighted Average Interest Rate | 4.15% |
| Debt Service Coverage Ratio (2) | 1.38 |

(1) Based on balloon payments at maturity.

(2) See definition on page 13.

(3) Subsequent to June 30, 2018, this loan was extended to July, 2019.

Junior Subordinated Notes

| | |
|-------------------|--|
| Principal Balance | \$37,400 |
| Interest Rate | 3 month LIBOR + 2.00% (i.e., 4.36% at 6/30/2018) |
| Maturity | April 30, 2036 |



NON-GAAP FINANCIAL MEASURES DEFINITIONS AND RECONCILIATIONS

(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 June 30, | |
|---|-----------------------------|------------------|
| | 2018 | 2017 |
| | (Unaudited) | (Unaudited) |
| GAAP Net loss attributable to common stockholders | \$ (4,689) | \$ (3,402) |
| Less: Other Income | (203) | (188) |
| Add: Interest expense | 8,786 | 7,180 |
| General and administrative | 2,452 | 2,309 |
| Depreciation | 10,200 | 7,561 |
| Equity in loss of unconsolidated joint ventures | 127 | 307 |
| Provision for taxes | 101 | 41 |
| Add: Net income attributable to non-controlling interests | (1,282) | (418) |
| Net Operating Income | \$ 15,492 | \$ 13,390 |



NON-GAAP FINANCIAL MEASURES DEFINITIONS AND RECONCILIATIONS

(dollars in thousands)

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, and for the three and nine months ended June 30, 2018, also excludes a Katy, Texas property that was damaged by Hurricane Harvey.

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 8/8/2018

| Property | City | State | Year Built | Year Acquired | Property Age | No. of Units | Q3 2018 | Q3 2018 Avg | % Ownership |
|-------------------------------|------------------------|-------|------------|---------------|--------------|--------------|----------------|--------------------|-------------|
| | | | | | | | Avg. Occupancy | Rent per Occ. Unit | |
| Silvana Oaks | North Charleston | SC | 2010 | 2012 | 9 | 208 | 94% | \$ 1,137 | 100% |
| Avondale Station | Decatur | GA | 1950 | 2012 | 69 | 212 | 94% | 1,042 | 100% |
| Stonecrossing | Houston | TX | 1978 | 2013 | 41 | 240 | 94% | 878 | 91% |
| Pathway | Houston | TX | 1979 | 2013 | 40 | 144 | 91% | 920 | 91% |
| Brixworth at Bridgestreet | Huntsville | AL | 1985 | 2013 | 34 | 208 | 90% | 742 | 80% |
| Newbridge Commons | Columbus | OH | 1999 | 2013 | 20 | 264 | 98% | 850 | 100% |
| Waterside at Castleton | Indianapolis | IN | 1983 | 2014 | 36 | 400 | 96% | 692 | 80% |
| Crossings of Bellevue | Nashville | TN | 1985 | 2014 | 34 | 300 | 98% | 1,099 | 80% |
| Kendall Manor | Houston | TX | 1981 | 2014 | 38 | 272 | 94% | 820 | 80% |
| Avalon | Pensacola | FL | 2008 | 2014 | 11 | 276 | 93% | 997 | 100% |
| Parkway Grande | San Marcos | TX | 2014 | 2015 | 5 | 192 | 94% | 1,063 | 80% |
| Cedar Lakes | Lake St. Louis | MO | 1985 | 2015 | 34 | 420 | 96% | 771 | 80% |
| Factory at Garco | North Charleston | SC | 2017 | 2015 | 2 | 271 | 88% | 1,227 | 65% |
| Woodland Trails | LaGrange | GA | 2010 | 2015 | 9 | 236 | 95% | 932 | 100% |
| Retreat at Cinco Ranch | Katy | TX | 2008 | 2016 | 11 | 268 | 67% | 1,548 | 75% |
| Grove at River Place | Macon | GA | 1988 | 2016 | 31 | 240 | 96% | 706 | 80% |
| Civic Center 1 | Southaven | MS | 2002 | 2016 | 17 | 392 | 97% | 863 | 60% |
| Verandas at Shavano Park | San Antonio | TX | 2014 | 2016 | 5 | 288 | 94% | 1,027 | 65% |
| Chatham Court and Reflections | Dallas | TX | 1986 | 2016 | 33 | 494 | 92% | 922 | 50% |
| Waters Edge at Harbison | Columbia | SC | 1996 | 2016 | 23 | 204 | 94% | 877 | 80% |
| Pointe at Lenox Park | Atlanta | GA | 1989 | 2016 | 30 | 271 | 89% | 1,183 | 74% |
| Civic Center 2 | Southaven | MS | 2005 | 2016 | 14 | 384 | 97% | 921 | 60% |
| Verandas at Alamo Ranch | San Antonio | TX | 2015 | 2016 | 4 | 288 | 93% | 1,001 | 72% |
| Kilburn Crossing | Fredericksburg | VA | 2005 | 2016 | 14 | 220 | 95% | 1,280 | 100% |
| OPOP Towers | St. Louis | MO | 2014 | 2017 | 5 | 128 | 82% | 1,532 | 76% |
| OPOP Lofts | St. Louis | MO | 2014 | 2017 | 5 | 53 | 89% | 1,364 | 76% |
| Vanguard Heights | Creve Coeur | MO | 2016 | 2017 | 3 | 174 | 92% | 1,446 | 78% |
| Mercer Crossing | Dallas | TX | 2014/2016 | 2017 | 5 | 509 | 88% | 1,216 | 50% |
| Jackson Square | Tallahassee | FL | 1996 | 2017 | 23 | 242 | 87% | 1,016 | 80% |
| Magnolia Pointe | Madison | AL | 1991 | 2017 | 28 | 204 | 96% | 814 | 80% |
| Woodland Apartments | Boerne | TX | 2007 | 2017 | 12 | 120 | 92% | 959 | 80% |
| The Avenue | Ocoee | FL | 1998 | 2018 | 21 | 522 | 96% | 986 | 50% |
| Parc at 980 | Lawrenceville | GA | 1997 | 2018 | 22 | 586 | 92% | 1,028 | 50% |
| Anatole Apartments | Daytona Beach | FL | 1986 | 2018 | 33 | 208 | 94% | 890 | 80% |
| Landings of Carrier Parkway | Grand Prairie (Dallas) | TX | 2001 | 2018 | 18 | 281 | 92% | 992 | 50% |
| <i>Total/Weighted Average</i> | | | | | 21.6 | 9,719 | | | |

Development Projects

| | | | | | | | | |
|--------------|-----------|----|-----|-----|-----|-----|-----|-----|
| Bell's Bluff | Nashville | TN | N/A | N/A | 402 | N/A | N/A | 58% |
|--------------|-----------|----|-----|-----|-----|-----|-----|-----|

Total (Including Development Projects)

10,121

| Unconsolidated Joint Ventures | City | State | Year Built | Property Age | No. of Units | % Ownership |
|-------------------------------|----------|-------|------------|--------------|--------------|-------------|
| Canalside Sola (1) | Columbia | SC | N/A | N/A | 338 | 46% |
| Canalside Lofts | Columbia | SC | 2008/2013 | 11 | 374 | 32% |
| Gateway Oaks | Forney | TX | 2016 | 3 | 313 | 50% |
| <i>Total</i> | | | | | 1,025 | |

(1) Development project