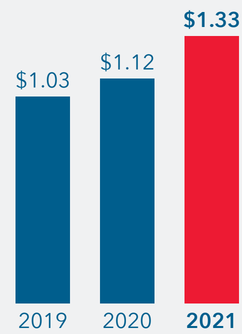
BRT
APARTMENTS

2021 ANNUAL REPORT

BRT APARTMENTS CORP., a Maryland corporation, is an internally managed real estate investment trust, also known as a REIT, that is focused on the ownership, operation, and to a lesser extent, development of multi-family properties. At December 31, 2021, we own or have interests in 33 multi-family properties located in 11 states with an aggregate of 9,273 units, including properties and units owned by unconsolidated joint ventures. Most of our properties are located in the Southeast United States and Texas.

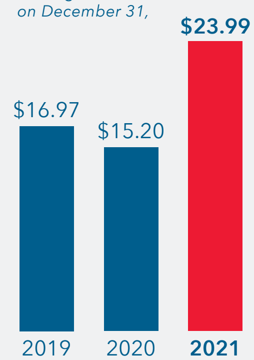
BRT's shares of common stock trade on the New York Stock Exchange under the symbol "BRT." As of December 31, 2021, there were 18,530,324 shares outstanding and 748 holders of record.

AFFO PER SHARE

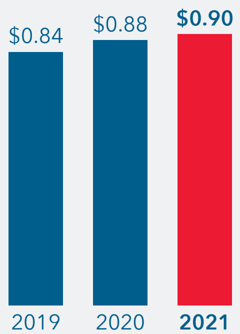


STOCK PRICE

Closing Stock Price on December 31,

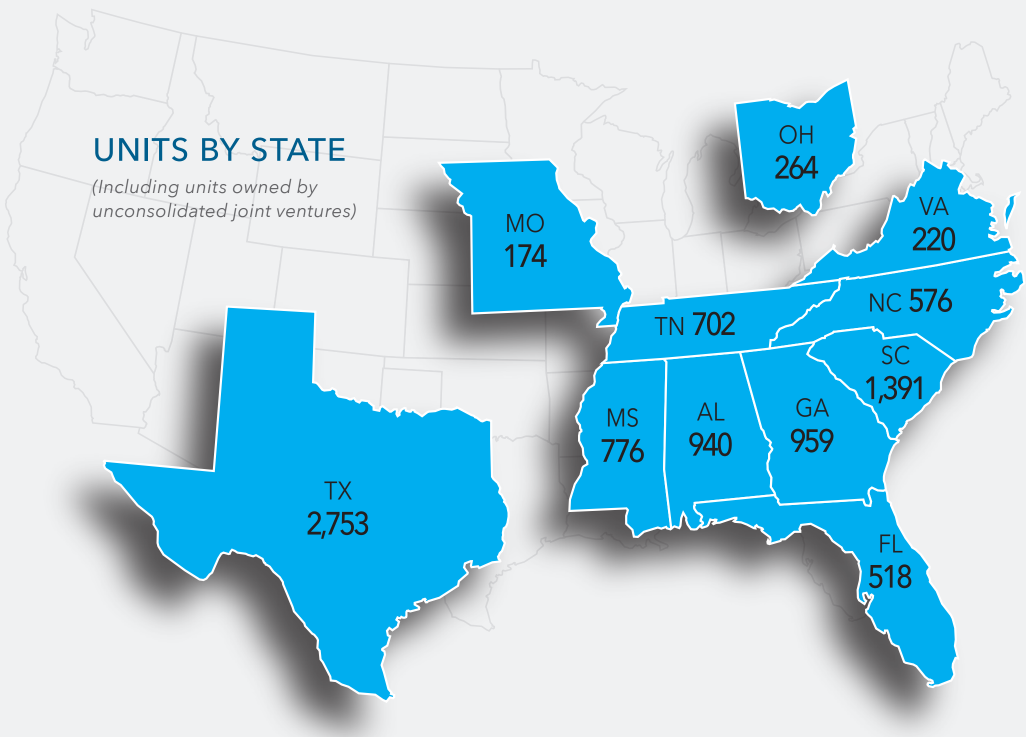


DIVIDENDS PER SHARE



UNITS BY STATE

(Including units owned by unconsolidated joint ventures)



TO OUR
STOCKHOLDERS

BRT Apartments Corp. operates with a vision to create a resilient, high-quality portfolio of multifamily properties located in growth markets, primarily in the Sunbelt. We expect to increase revenues and cash flow for our investors through favorable market fundamentals and disciplined capital allocation and are pleased to deliver solid full-year growth and performance in 2021. Following the pandemic-impacted year of 2020, we carefully evaluated the acquisition and disposition landscape, prudently consolidating our interests in properties that met our disciplined underwriting criteria, selling interests in properties for which we did not see adequate returns in the future, and enhancing the flexibility of our balance sheet to position the Company for future growth.

BRT delivered strong performance in 2021. We grew AFFO by 23.9% to $23.8 million, and AFFO per share by 18.8% to $1.33 per share from 2020. Across our entire portfolio, average occupancy increased 110 basis points to 94.8% and average rents grew 5.5% to $1,142 per month compared to 2020. Our same-store revenue grew 7.7%, same-store expenses increased 7.6%, and same-store NOI increased 7.8% in comparison to 2020.

Regarding transaction activity, we opportunistically sold six multi-family properties(or our interests) therein, for an aggregate sales price of $261 million and acquired the remaining minority interests in three joint venture properties for $45.6 million. As of January 1, 2022, our multi-family portfolio consists of 33 properties representing 9,273 units of which ten properties, representing 2,756 units, are wholly owned.

During 2021, we focused on reducing leverage and lowered our debt to enterprise value (including our pro-rata share of the debt at our unconsolidated joint ventures) by strategically selling properties and raising additional equity capital through our ATM program. Additionally, we entered into a new $35 million credit facility, which provides enhanced liquidity for BRT to pursue attractive acquisition opportunities and continue to grow its portfolio.

In conclusion, 2021 was a very solid year for BRT. Our portfolio delivered excellent results, and we continue to advance our efforts to grow our wholly-owned portfolio prudently, while also enhancing our financial flexibility. Our geographic focus primarily in the Sunbelt has proven to be successful, as we directly benefit from the historic migratory wave of jobs and families to these markets.

As we look ahead to 2022, we are excited about the opportunities in front of us. Our markets remain very healthy, there are organic growth opportunities through our value-add program and we have greater financial flexibility to pursue our goals of portfolio growth through direct acquisitions of, and the acquisition of the interests of our joint venture partners in, properties that we find attractive.

Finally, we want to thank the entire BRT team for their hard work and dedication. We also want to thank the Board for their counsel, and our stockholders for their trust in us.

Sincerely yours,

Israel Rosenzweig
Chairman of the Board

Jeffrey A. Gould
President and Chief Executive Officer

April 15,2022

FINANCIAL HIGHLIGHTS

(Dollar amounts in thousands except per share amounts)	Year ended December 31,	
	2021	2020
Rental and other revenue from real estate properties	$ 32,041	$ 27,451
Other income	16	651
Total revenues	32,057	28,102
Real estate operating expenses	14,202	12,377
Interest expense	6,757	7,100
General and administrative	12,621	11,701
Impairment charge	520	3,642
Depreciation	8,025	6,742
Total expenses	42,125	41,562
Total revenues less total expenses	(10,068)	(13,460)
Equity in loss of unconsolidated joint ventures	(4,208)	(6,024)
Equity in earnings from sale of unconsolidated joint venture properties	34,982	–
Gain on sale of real estate	7,693	–
Gain on sale of partnership interest	2,632	–
Loss on extinguishment of debt	(1,575)	–
Income (loss) from continuing operations	29,456	(19,484)
Provision for taxes	206	248
Income (loss) from continuing operations, net of taxes	29,250	(19,732)
(Income) attributable to non-controlling interests	(136)	(130)
Net income (loss) attributable to common stockholders	$ 29,114	$ (19,862)
Per share amounts attributable to common stockholders		
Basic earnings (loss) per share	$ 1.63	$ (1.16)
Diluted earnings (loss) per share	$ 1.62	$ (1.16)

	December 31,	
	2021	2020
Total assets	$459,538	$365,741
Real estate properties, net of accumulated depreciation	293,550	160,192
Investment in unconsolidated joint ventures	112,347	169,474
Cash and cash equivalents	32,339	19,885
Restricted cash	6,582	8,800
Mortgages payable, net of deferred costs	199,877	130,434
Junior subordinated notes, net of deferred costs	37,103	37,083
Total BRT Apartments Corp. stockholders’ equity	202,956	177,772

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-07172

BRT APARTMENTS CORP.

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)	**13-2755856** (I.R.S. employer identification no.)
60 Cutter Mill Road, Great Neck, New York (Address of principal executive offices)	11021 (Zip Code)

516-466-3100

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Shares of common stock, par value $.01 per share	BRT	New York Stock Exchange

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

NONE

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer. or a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒

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 standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was approximately $189.6 million based on the last sale price of the common equity on June 30, 2021, which is the last business day of the registrant's most recently completed second quarter.

As of March 1, 2022, the registrant had 18,530,324 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the 2022 annual meeting of stockholders of the Registrant to be filed pursuant to Regulation 14A not later than May 2, 2022, are incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

Form 10-K

This page intentionally left blank

Explanatory Note

Unless otherwise indicated or the context otherwise requires, all references to (i) “us”, “we”, “BRT” or the “Company” refer to BRT Apartments Corp. and its consolidated and unconsolidated subsidiaries; (ii) all interest rates give effect to the related interest rate derivative, if any; (iii) "acquisitions" include investments in unconsolidated joint ventures; (iv) references to the impact of the COVID-19 pandemic include the impact of the governmental and non-governmental responses thereto and the economic and financial consequences thereof, (v) our "significant subsidiaries" (as such term is by Rule 1-02(w) of Regulation S-X, include TRB Holdings LLC, TRB Bells Bluff LLC, which own Bells Bluff, a property located in West Nashville, TN and TRB Civic Center LLC, which owns Civic Center I and II, properties located in Southaven MS and (vi) "same store properties" refer to properties that we owned and operated for the entirety of periods being compared, except for properties that are in lease-up. We move properties previously excluded from our same store portfolio (because they were in lease up) into the same store designation once they have stabilized (as described below) and such status has been reflected fully in all applicable periods of comparison. Newly constructed, lease-up, development and redevelopment properties are deemed stabilized upon the earlier to occur of the first full calendar quarter beginning (a) 12 months after the property is fully completed and put in service and (b) attainment of at least 90% physical occupancy.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K, together with other statements and information publicly disseminated by us, 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 (the "Exchange Act"). We intend 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 include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends concerning matters that are not historical facts. Forward looking statements are generally identifiable by use of words such as "may," "will," "will likely result," "shall," "should," "could," "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions or variations thereof.

Forward-looking statements contained in this Annual Report are based on our beliefs, assumptions and expectations of our future performance taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or within our control, and which could materially affect actual results, performance or achievements. Factors which may cause actual results to vary from our forward-looking statements include, but are not limited to:

- the impact of the COVID-19 pandemic;
- general economic and business condition and developments, including those currently affecting or that may affect our economy, such as the outbreak of hostilities between Russia and Ukraine;
- accessibility of debt and equity capital markets;
- general and local real estate conditions, including any changes in the value of our real estate;
- changes in Federal, state and local governmental laws and regulations, including laws and regulations relating to taxes and real estate and related investments;
- the level and volatility of interest rates;
- challenges in acquiring properties (including challenges in buying the interests of joint venture partners and buying properties directly without the participation of joint venture partners), which acquisitions may not be completed or may not produce the cash flows or income expected;
- the competitive environment in which we operate, including competition that could adversely affect our ability to acquire properties and/or limit our ability to lease apartments or increase or maintain rental income;
- a limited number of multi-family property acquisition opportunities acceptable to us;
- the concentration of our multi-family properties in the Southeastern United States and Texas, which makes us more susceptible to adverse developments in those markets;
- risks associated with acquiring value-add multi-family properties, which involves greater risks than more conservative approaches;
- the condition of Fannie Mae or Freddie Mac, which could adversely impact us;

- our failure to comply with laws, including those requiring access to our properties by disabled persons, which could result in substantial costs;
- insufficient cash flows, which could limit our ability to make required payments on our debt obligations;
- impairment in the value of real estate we own;
- failure of property managers to properly manage properties;
- disagreements with, or misconduct by, joint venture partners;
- decreased rental rates or increasing vacancy rates;
- our ability to lease units in newly acquired or newly constructed multi-family properties;
- potential defaults on or non-renewal of leases by tenants;
- creditworthiness of tenants;
- our ability to obtain financing for acquisitions;
- development and acquisition risks, including rising or unanticipated costs and failure of such acquisitions and developments to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- our ability to reinvest the net proceeds of dispositions into more, or as favorable, acquisition opportunities;
- potential natural disasters such as hurricanes, tornadoes and floods;
- board determinations as to timing and payment of dividends, if any, and our ability or willingness to pay future dividends;
- financing risks, including the risks that our cash flows from operations may be insufficient to meet required debt service obligations and we may be unable to refinance our existing debt upon maturity or obtain new financing on attractive terms or at all;
- lack of or insufficient amounts of insurance to cover, among other things, losses from catastrophes;
- our ability to maintain our qualification as a REIT;
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us or a subsidiary owned by us or acquired by us;
- our dependence on information systems;
- risks associated with breaches of our data security;
- risks associated with the stock ownership restrictions of the Code for REITs and the stock ownership limit imposed by our charter;
- increases in real estate taxes at properties we acquire due to such acquisitions or other factors; and
- the other factors described in this Annual Report, including those set forth under the captions *"Item 1. Business," "Item 1A. Risk Factors,"* and *"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"*.

We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report. Except to the extent otherwise required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the filing of this Annual Report or to reflect the occurrence of unanticipated events thereafter.

PART I

Item l. Business.

General

We are an internally managed real estate investment trust, also known as a REIT, that is focused on the ownership, operation and, to a lesser extent, development of multi-family properties. These properties may be wholly-owned or owned by unconsolidated joint ventures in which we generally contributed 65% to 80% of the equity. At December 31, 2021, we (i) wholly- own ten multi-family properties with an aggregate of 2,576 units and a carrying value of $291.5 million, and (ii) have ownership interests, through unconsolidated entities, in 23 multi-family properties with an aggregate of 6,697 units and carrying value of our net equity investment therein is $112.3 million. These 33 properties are located in 11 states; most of our properties are located in the Southeast United States and Texas.

Our website can be accessed at *www.brtapartments.com*, where copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission, or SEC, can be obtained free of charge.

The Impact of the COVID-19 Pandemic; 2021 and Recent Developments.

The pandemic did not have a direct material adverse effect on our financial condition and results of operations; however, there were some direct negative effects (*e.g.*, properties adjacent to colleges and universities experienced lower occupancy levels and rental income due to remote learning) and indirect negative effects (*e.g.,* we were more conservative in raising rents, pursuing acquisitions and in implementing our value add program, all of which, if more aggressively pursued, may have allowed us to generate additional income). The impact of the pandemic on our business, financial condition, liquidity, results of operations and prospects will depend on future developments, which are highly uncertain and cannot be predicted with confidence. See *"Item 1A. Risk Factors"* and *"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-The Impact of the COVID-19 Pandemic; 2021 and Recent Developments"*.

During 2021:

<u>Purchases</u>

- we purchased the interests of our joint venture partners in ventures that own three multi-family properties (*i.e.,* Bells Bluff, Crestmont at Thornblade, and Crossings at Bellevue) for an aggregate purchase price of $45.6 million. As a result, these properties are wholly-owned and the accounts and results of operations of these properties are included directly in our consolidated financial statements as of the applicable date of purchase. In connection with these transactions, we assumed mortgage debt of $26.4 million at Crestmont at Thornblade and obtained replacement mortgage debt of $89.7 million to replace the existing debt of $61.8 million on the other two properties.
- we purchased an additional 14.7% interest in Civic Center I and Civic Center II - Southaven, MS from our joint venture partner for $6.0 million. After giving effect to this purchase, we own 74.7% of the venture that owns these properties.

<u>Sales</u>

- we sold Kendall Manor - Houston, TX, a wholly-owned property (the "Kendall Manor"), to an unrelated third party for $24.5 million and recognized a gain on the sale of this property of $7.3 million. In connection with the sale, we paid off the $14.3 million of mortgage debt maturing in August 2021 and bearing an annual interest rate of 4.29%. During (a) 2021(through the May 26 sale date), this property contributed $1.2 million of rental income, $830,000 of real estate operating expenses, $272,000 of interest expense and $123,000 of depreciation, and (b) 2020, this property contributed $2.9 million of rental income, $1.9 million of real estate operating expenses, $675,000 of interest expense and $848,000 of depreciation.
- we sold our interests in the unconsolidated joint ventures that owned (a) Anatole Apartments - Daytona Beach, FL (“Anatole Apartments”), and (b) Tower at OPOP and Lofts at OPOP- St Louis, MO (collectively, the "OPOP Properties”), to our joint venture partners, for $10.5 million and recognized a gain on sales of our partnership interests of $2.6 million, after giving effect to the impairment charge of $520,000 taken in 2021 in connection with the sale of OPOP Properties. In 2021 and 2020, these properties contributed $1.0 and $ 1.1 million, respectively, in equity in loss of unconsolidated joint ventures.
- the unconsolidated joint venture which owned The Avenue Apartments, Ocoee, FL, and Parc at 980, Lawrenceville, GA, sold these properties for an aggregate of $225.9 million and recognized an aggregate gain on the sale of these properties

of $84.0 million. As a result of these sales, we recorded an aggregate gain of $35.0 million. The mortgage debt secured by these properties and paid-off in connection with the sales was in aggregate principal amount of $107.5 million, had weighted average interest rate of 3.94% and a weighted average remaining term to maturity of 6.6 years. In connection with these sales, the joint venture recognized an aggregate loss on the extinguishment of debt of $9.4 million, of which our share was $4.6 million. During 2021 (through the applicable sales dates) and 2020, these properties contributed $60,000 and $(54,000), respectively, of equity in earnings (loss) of unconsolidated joint ventures.

- we sold a cooperative apartment unit located in New York, NY for a sales price of $545,000 and recognized a gain of $414,000.

Financing; Other

- we amended and restated our credit facility, among other things, to increase the amount available to be borrowed to $35 million, reduced the interest rate to 25 basis points over the prime rate with a floor of 3.5%, and extended the facility through November 2024.
- our consolidated subsidiaries paid-off three first mortgages and three supplemental mortgages with an aggregate balance of $31.9 million. These mortgages had a weighted average interest rate of 4.53% and a remaining term to maturity of nine months. In connection with the payoffs, we incurred a loss on the extinguishment of debt of $822,000.
- we raised approximately $9.6 million of equity from the sale of 529,126 shares of our common stock pursuant to our at-the-market equity offering program.
- we implemented, in September 2021, a 4.5% per share increase in our cash dividend, and declared dividends of an aggregate of $0.90 per share in 2021.
- we maintained an average occupancy rate of 97.1% at our wholly-owned properties and 94.2% at our joint venture properties.

Subsequent to December 31, 2021:

- we sold a vacant land parcel located in Daytona, Florida (the "South Daytona Property") for a sales price of $4.7 million, and, after closing costs, recognized a nominal gain. In 2020, we recognized an impairment charge of $3.6 million in connection with this property.
- we acquired for $3.5 million a 17.45% interest in a planned 240-unit development property located in Johns Island, SC. We anticipate that this development will be completed in the fourth quarter of 2023.
- the unconsolidated joint venture in which we have a 65% equity interest sold The Veranda at Shavano, a 288-unit multi-family property in San Antonio, Texas, for a sales price of $53.8 million. We estimate that the gain on the sale of this property will be approximately $23.7 million and that our share of the gain, which will be recognized in the first quarter of 2022, will be approximately $12.7 million. This property was secured by $25.1 million of floating rate mortgage debt with 1.4 years of remaining term to maturity which was repaid in connection with the sale. The venture also terminated an interest rate swap and paid a termination fee of $188,000 of which our share will be approximately $122,000. During the year ended December 31, 2021, this property generated $526,000 of equity in earnings from unconsolidated joint ventures, which includes a $616,000 gain from insurance proceeds. During the year ended December 31, 2020, this property generated $322,000 of equity in loss from unconsolidated joint ventures.
- we used our available cash to pay-off $15.5 million of 4.29% mortgage debt of Avalon Apartments - Pensacola, FL, a wholly owned property, that was scheduled to mature in March 2022.
- we raised $2.2 million of equity from the sale of 100,000 shares of our common stock pursuant to our at-the-market offering program through March 1, 2022.
- we announced that we entered into separate agreements to acquire (the “2022 Partner Buyouts”) the remaining interests of five of our joint venture partners at five multi-family properties with an aggregate of 1,064 units. The aggregate purchase price for these interests is approximately $30.4 million and in connection with such purchases, we will assume mortgage debt that as of December 31, 2021, was in aggregate principal amount of $97.7 million. (Such mortgage debt is currently reflected in Item 7. *“Management's Discussion and Analysis of Financial Condition and Results of Operations-Disclosure of Known Material Contractual Obligations”).* The completion of these purchases is subject to customary

closing conditions (including with respect to four of the purchases, the approval of the holder of the applicable mortgage debt), and no purchase is contingent upon the completion of any other purchase. The weighted average remaining term to maturity of the mortgage debt to be assumed is 7.1 years and the weighted average interest rate thereon is 4.17%. This mortgage debt will be non-recourse to us at the BRT parent level and to our subsidiary that owns the applicable property, subject to customary carve-out guarantees and indemnities at the parent and property subsidiary levels. During 2021, these properties contributed an aggregate of $295,000 of equity in loss of unconsolidated joint ventures. We anticipate using our available cash to fund these purchases and that these transactions will be completed over the next several months. After a purchase is completed, such property will be wholly owned and the accounts and operations of such property will be included directly, from the date of such purchase, in our consolidated balance sheets and consolidated statement of operations, respectively. As a result, we anticipate that our revenues, total expenses, assets and liabilities, will increase. We can provide no assurance that any of these transactions will be completed or that if completed, will be accretive.

Our Multi-Family Properties

Generally, our multi-family properties are garden apartment, mid-rise or town home style properties that provide residents with amenities, such as a clubhouse, swimming pool, laundry facilities and cable television access. Residential leases are typically for a one-year term and may require security deposits equal to one month's rent. Substantially all of the units at these properties are leased at market rates. Set forth below is selected information regarding the multi-family properties in which we have an interest, as of December 31, 2021, all of which, except for the properties in which we have a 100% ownership interest, are owned by unconsolidated joint ventures:

					Average Monthly Rental Rate Per Occupied Unit ($)(2)(3)					Average Physical Occupancy (%)(3)				
Property Name and Location	Number of Units	Age	Acquisition Date	Our Percentage Ownership (%) (1)	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Silvana Oaks Apartments—N. Charleston, SC	208	11	10/4/2012	100	1,231	1,182	1,162	1,143	1,126	95.1	93.2	94.5	93.2	94.5
Avondale Station—Decatur, GA	212	67	11/19/2012	100	1,196	1,173	1,102	1,047	979	97.2	95.3	96.2	94.4	97.6
Newbridge Commons—Columbus, OH	264	22	11/21/2013	100	947	929	898	853	801	97.5	95.2	95.2	96.7	96.8
Avalon Apartments—Pensacola, FL	276	13	12/22/2014	100	1,250	1,124	1,065	1,003	969	98.1	95.3	96.4	93.8	90.9
Parkway Grande—San Marcos, TX	192	7	9/10/2015	100	1,042	1,035	1,075	1,067	1,044	97.1	93.4	94.5	93.1	95.0
Woodland Trails—LaGrange, GA	236	12	11/18/2015	100	1,059	1,014	960	938	873	98.9	96.7	96.1	95.2	95.7
Kilburn Crossing — Fredericksburg, VA	220	16	11/4/2016	100	1,465	1,411	1,389	1,302	1,246	97.9	96.2	95.1	95.9	95.0
Bells Bluff — West Nashville, TN (4)	402	2	6/2/2017	100	1,421	1,482	N/A	N/A	N/A	92.3	74.7	N/A	N/A	N/A
Crestmont at Thornblade — Greenville, SC (4)	266	24	10/30/2018	100	1,104	1,051	1,072	1,156	—	96.3	91.8	88.7	92.1	—
Crossings of Bellevue—Nashville, TN (4)	300	36	4/2/2014	100	1,186	1,186	1,157	1,120	1,066	97.1	96.3	97.3	98.3	97.3
Brixworth at Bridge Street—Huntsville, AL	208	36	10/18/2013	80	879	828	755	760	690	96.1	97.6	96.4	92.6	95.9
Retreat at Cinco Ranch— Katy, TX (5)	268	13	1/22/2016	75	1,274	1,192	1,134	1,076	1,098	96.9	92.9	91.8	96.2	89.5
Grove at River Place — Macon, GA	240	33	2/1/2016	80	792	744	735	709	662	95.6	92.2	90.7	93.6	95.2
Civic Center I—Southaven, MS (6)	392	19	2/29/2016	75	1,021	958	922	872	834	98.2	97.1	96.5	97.3	96.4
The Veranda at Shavano — San Antonio, TX (7)(11)	288	8	5/6/2016	65	1,119	1,057	1,062	1,021	982	92.8	92.5	92.7	93.4	92.0
Chatham Court and Reflections — Dallas, TX	494	35	5/11/2016	50	950	969	959	930	876	93.3	85.2	92.4	92.0	93.4
Waters Edge at Harbison— Columbia, SC	204	25	5/31/2016	80	1,009	929	928	869	878	94.5	93.9	91.0	91.8	93.7
The Pointe at Lenox Park— Atlanta, GA	271	32	8/15/2016	74	1,275	1,255	1,216	1,201	1,176	96	94.6	93.2	88.8	91.1
Civic Center II — Southaven, MS (6)	384	16	9/1/2016	75	1,085	1,031	979	925	883	98.2	96.6	97.2	96.8	96.7
Verandas at Alamo Ranch—San Antonio, TX (8)(11)	288	6	9/19/2016	72	1,084	1,039	1,022	996	972	91.2	93.2	93.8	92.4	89.0
Canalside Lofts — Columbia, SC	374	6	11/10/2016	32	1,225	1,406	1,217	1,220	1,185	93.2	90.9	93.0	89.7	92.7
Canalside Sola — Columbia, SC (9)	339	6	11/10/2016	46	1,361	1,395	1,445	1,432	—	92.6	81.4	68.0	22.0	—
Vanguard Heights — Creve Coeur, MO (10)	174	5	4/4/2017	78	1,583	1,604	1,560	1,495	1,652	93.6	95.9	95.3	91.4	74.7
Mercer Crossing — Farmers Branch, TX	509	5	6/29/2017	50	1,374	1,314	1,308	1,279	1,272	95.9	90.6	92.0	89.3	91.4
Jackson Square — Tallahassee, FL	242	25	8/30/2017	80	1,131	1,090	1,067	1,018	1,062	94.2	94.8	94.6	91.0	94.2
Gateway Oaks — Forney, TX	313	5	9/15/2017	50	1,181	1,147	1,148	1,108	988	96.7	91.1	93.9	92.8	93.7

Property Name and Location	Number of Units	Age	Acquisition Date	Our Percentage Ownership (%) (1)	Average Monthly Rental Rate Per Occupied Unit ($)(2)(3)					Average Physical Occupancy (%)(3)				
					2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Magnolia Pointe at Madison — Madison, AL	204	30	12/7/2017	80	1,036	924	881	826	—	96.6	97.6	98.5	95.3	—
The Woodland Apartments — Boerne, TX (11)	120	14	12/14/2017	80	974	980	960	918	—	87.0	96.3	94.1	91.3	—
Landings of Carrier Parkway — Grand Prairie, TX	281	20	5/17/2018	50	1,149	1,098	1,019	957	—	94.1	94.5	90.4	93.7	—
The Vive — Kannapolis, NC	312	12	3/12/2019	65	1,199	1,103	1,105	—	—	95.5	94.6	90.6	—	—
Somerset at Trussville — Trussville, AL	328	15	5/7/2019	80	1,078	998	1,007	—	—	95.7	97.0	95.1	—	—
Village at Lakeside — Auburn, AL	200	33	8/8/2019	80	907	859	835	—	—	97.1	96.0	95.7	—	—
Abbots Run — Wilmington, NC	264	19	2/20/2020	80	978	873	—	—	—	95.3	93.5	—	—	—
Total	9,273													

(1) Distributions to, and profit sharing between, joint venture partners, are determined pursuant to the applicable agreement governing the relationship between the parties and are generally not *pro rata* to the equity ownership percentage each joint venture partner has in the applicable joint venture.
(2) Monthly rental rate per unit reflects our period of ownership.
(3) For 2017, reflects the twelve months ended September 30.
(4) Prior to 2021, our ownership interest in Bells Bluff, Crestmont at Thornblade and Crossings of Bellevue was 58.1%, 90% and 80% respectively. Bells Bluff was in lease-up until September 2020.
(5) This property was impacted in 2017 by Hurricane Harvey.
(6) Prior to 2021, our ownership in the joint venture that owns these properties was 60%
(7) This property was sold in February 2022.
(8) In February 2022, we bought out the interests of our joint venture partner and as a result the property is wholly-owned by us. .
(9) This property was in lease up until September 2020.
(10) This property was in lease up until June 2018.
(11) Occupancy in 2021 was effected by damage from the February ice storm in Texas (the "Texas Storm").

The following table sets forth certain information, presented by state, related to our consolidated properties as of December 31, 2021 (dollars in thousands):

State	Number of Properties	Number of Units	2021 Rental and Other Revenues	Percent of 2021 Rental and Other Revenues
Georgia	2	448	$ 6,724	22 %
Florida	1	276	4,594	15 %
South Carolina (1)	2	474	4,401	14 %
Virginia	1	220	4,274	14 %
Tennessee (2)	2	702	3,410	11 %
Ohio	1	264	3,232	10 %
Texas (3)	1	192	2,710	9 %
Other (4)	—	—	1,510	5 %
Total	10	$ 2,576	$ 30,855	100 %

(1) Includes revenues beginning in October 2021 when we purchased our venture partner's remaining interest in Crestmont at Thornblade.
(2) Includes revenues beginning in August and December 2021, when we purchased our venture partners' remaining interests in Bells Bluff and Crossings of Bellevue, respectively.
(3) Excludes 2021 revenues from Kendall Manor.
(4) Includes non-multi- family revenues.

The following table sets forth certain information, presented by state, related to properties owned by unconsolidated joint ventures as of December 31, 2021(dollars in thousands):

State	Number of Properties	Number of Units	2021 Rental and Other Revenues (1)	Percent of 2021 JV Rental and Other Revenues (1)
Texas	8	2,561	$ 38,460	39 %
South Carolina	3	917	13,778	14 %
Alabama	4	940	12,326	13 %
Mississippi	2	776	10,367	11 %
North Carolina	2	576	8,677	9 %
Georgia	2	511	6,894	7 %
Missouri	1	174	3,463	4 %
Florida	1	242	3,357	3 %
Total	23	$ 6,697	$ 97,322	100 %

(1) The term "JV Rental and other Revenues" refers to the revenues generated at multi-family properties owned by unconsolidated joint ventures. Excludes revenues generated in 2021 from properties sold (including the properties at which we purchased the remaining interests of our venture partners) during such year. See note 6 to our consolidated financial statements.

Our Acquisition Approach

Current Acquisition Approach

Given the current highly competitive environment to acquire multi-family properties, and our belief that in such environment buying properties offered for sale by third parties will not generate an appropriate risk adjusted return for our stockholders, we are emphasizing purchasing the interests of our joint venture partners. See *"- The Impact of the COVID-19 Pandemic; 2021 and Recent Developments"*. Although the price we pay for our venture partner's interest is greater than that implied by such partner's percentage interest in the venture (because we in effect are buying our partner's "promote" (*i.e.,* our venture partner's disproportionate share of the income and/or cash flow above a pre-determined threshold in recognition of such partner's introducing us to the acquisition opportunity)), and the blended rate of return on investment (as described below) will not be as favorable as those generated in the past from such properties prior to the purchase of our partner's interest, we nonetheless believe that the blended rate of return on investment (*i.e*., the combination of the rate of return generated from the return on our original investment as blended with the return generated after giving effect to the purchase of our joint venture partners' interests) that we will achieve is superior to that, and a better use of our available investable assets, than other acquisition opportunities currently available in the market. As we are actively involved in the operations of these properties, we are well positioned to evaluate the efficacy of such investment. We are also making a greater effort to acquire properties directly *(i.e.,* not with joint venture partners) as we expect that this will allow the possibility for greater returns on our investment(*i.e.,* we will not have to pay promotes) and allow the accounts and operations of such properties to be presented directly in our consolidated financial statements.

Historic Acquisition Approach

Historically, we identified multi-family property acquisition opportunities primarily through relationships developed over time by our officers with former borrowers, current joint venture partners, real estate investors and brokers and have focused on acquiring the following of multi-family property types:

- Class B or better properties with strong and stable cash flows in markets where we believe there exists opportunity for rental growth and further value creation;
- Class B or better properties that offer significant potential for capital appreciation through repositioning or rehabilitating the asset to drive rental growth;
- properties available at opportunistic prices providing an opportunity for a significant appreciation in value; and
- development of Class A properties in markets where we believe we can generate significant returns from the operation and if appropriate, sale of the development.

We focused on acquiring properties that provide stable risk adjusted total returns (*i.e.,* operating income plus capital appreciation), including value-add opportunities (*i.e.*, properties that can be repositioned or improved allowing us to generate higher rents or improved occupancy) and emphasized acquiring properties in the Southeast United States and Texas. We have been opportunistic in pursuing multi-family property acquisitions and have not mandated any specific acquisition criteria, though we take the following into account in evaluating an acquisition opportunity: location, demographics, size of the target market, property quality, availability and terms and conditions of long-term fixed-rate mortgage debt, potential for capital appreciation or recurring income, extent and nature of contemplated capital improvements and property age. We have, historically, acquired properties with a joint venture partner with knowledge and experience in owning and operating multi-family properties in the target market.

A key consideration in our acquisition process (including the current acquisition environment in which we are emphasizing buying the interests of our joint venture partners) is the availability of mortgage debt to finance the acquisition (or the ability to assume the mortgage debt on the property) and the terms and conditions (*e.g*., interest rate, amortization and maturity) of such debt. Historically, approximately 35% to 40% of the purchase price has been paid in cash (all or a portion of our share of which may be funded by borrowing from our credit facility) and the balance is financed with mortgage debt. We believe that the use of leverage allows us the ability to earn a greater return on our investment than we would otherwise earn. Generally, the mortgage debt obtained in connection with an acquisition matures five to ten years thereafter, is interest only for one to five years after the acquisition, and provides for a fixed interest rate and for the amortization of the principal of such debt over 30 years.

Potential acquisitions are reviewed and approved by our investment committee. Approval requires the assent of not less than five of the eight members of this committee, all of whom are our executive officers. Board of director approval is required for any single multi-family property acquisition in which our equity investment exceeds $40 million.

From time-to-time we have pursued development opportunities with joint venture partners when we believe the potential higher returns justify the additional risks. The factors considered in pursuing these opportunities generally include the factors considered in evaluating a standard acquisition opportunity, and we place additional emphasis on our joint venture partner's ability to execute a development project. We do not anticipate development properties will constitute a significant part of our portfolio.

Purchase of Joint Venture Interests in 2021

We bought the interests of our joint venture partners in ventures that own three multi-family properties (*i.e.,* Bells Bluff, Crestmont at Thornblade, and Crossings of Bellevue). As a result, these properties are wholly-owned by us. The aggregate purchase price for these interests was $45.6 million. In connection with with these purchases, we assumed debt of $26.4 million on Crestmont at Thornblade and obtained replacement debt of $89.7 million to replace the existing debt of $61.8 million on the other two properties.

We purchased an additional 14.7% interest in Civic Center I and Civic Center II - Southaven, MS from our joint venture partner for $6.0 million. After giving effect to this purchase, we own 74.7% of the venture that owns these properties.

Property and Joint Venture Dispositions

We monitor our portfolio to identify properties that should be sold. Factors considered in deciding whether to sell a property generally include our evaluation of the current market price of such property compared to its projected economics and changes in the factors considered by us in acquiring such property. We also believe it is important for us to maintain strong relationships with our joint venture partners. Accordingly, we also take into account our partners' desires with respect to property sales. If our partners deem it in their own economic interest to dispose of a property at an earlier date than we would otherwise dispose of a property, we may accommodate such request and agree to sell the property to a third party or attempt to purchase our partner's interest.

Sale of Wholly-Owned Properties

On May 26, 2021, we sold Kendall Manor for a sales price of $24.5 million and recognized a gain on the sale of this property of $7.3 million. During 2021, this property contributed $1.2 million of rental income, $830,000 of real estate operating expense, $272,000 of interest expense and $123,000 of depreciation , respectively. During 2020, this property contributed $2.9 million of rental income, $1.9 million of real estate operating expenses, $675,000 of interest expense and $848,000 of depreciation, respectively.

On August 20, 2021, we sold a cooperative apartment unit in New York, NY for a sales price of $545,000 and recognized a gain on the sale of $414,000.

Dispositions of Joint Venture Properties

The unconsolidated joint venture which owned The Avenue Apartments, Ocoee, FL, and Parc at 980, Lawrenceville, GA, sold these properties for an aggregate of $225.9 million and recognized an aggregate gain on the sale of these properties of $84.0 million. As a result of these sales, we recorded an aggregate gain of $35 million. The mortgage debt secured by these properties and paid off in connection with the sales was in aggregate principal amount of $107.5 million, had a weighted average interest rate of 3.94% and a weighted average remaining term to maturity of 6.6 years. In connection with these sales, the joint venture recognized an aggregate loss on the extinguishment of debt of $9.4 million, of which our share was $4.6 million. During 2021 (through the applicable sales dates) and 2020, these properties contributed $60,000 and $(54,000), respectively, of equity in earnings (loss) of unconsolidated joint ventures.

Sale of Joint Venture Interests

We sold our interests in the unconsolidated joint ventures that owned (i) Anatole Apartments - Daytona Beach, FL(“Anatole Apartments”), and (ii) Tower at OPOP and Lofts at OPOP- St Louis,MO (collectively, the "OPOP Properties”), to our joint venture partners, for $10.5 million and recognized a gain on sales of our interests of $2.6 million, after giving effect to the impairment charge of $520,000 taken in 2021 in connection with the OPOP Properties. During 2021 (through the applicable sales dates) and 2020, these three properties contributed $1.0 million and $1.1 million respectively, in equity in loss of unconsolidated joint ventures.

Joint Venture Arrangements

The arrangements with our multi-family property joint venture partners are deal-specific and vary from transaction-to-transaction. Generally, these arrangements provide for us and our joint venture partner to receive net cash flow available for distribution and/or profits in the following order of priority (in certain cases, we are entitled to these distributions on a senior or preferential basis): (i) a preferred return of 8% to 10% on each party's unreturned capital contributions, until such preferred return has been paid in full; and (ii) the return in full of each party's capital contribution (and together with the preferred return, the "Mandatory Return"). Thereafter, distributions to, and profit sharing between, joint venture partners, is determined pursuant to the applicable agreement governing the relationship between the parties. The allocation and distribution of cash and profits to BRT after the Mandatory Return is generally less than that implied by BRT's percentage equity interest in the venture/ property as a result of allocation/distribution provisions of our joint venture operating agreements.

Although as noted above each joint venture operating agreement contains different terms, such agreements may limit our right to vote and receive dividends and distributions. Further, such agreements generally provide for a buy-sell procedure under specified circumstances, including, (i) if the partners are unable to agree on major decisions or (ii) upon a change in control of our subsidiary owning the interest in the joint venture. Further, these arrangements may also allow us, and in some cases, our joint venture partner, to force the sale of the property after it has been owned by the joint venture for a specified period (*e.g*., four to five years after the acquisition).

Property Management

The day-to-day management of our multi-family properties is overseen by property management companies operating in the market in which the property is located. Approximately 61% of our properties are managed by management companies that are owned by a joint venture partner or its affiliates. These property management companies are paid fees ranging from 2% to 4% of revenues generated by the applicable property. Generally, we can terminate these management companies upon specified notice or for cause, subject to the approval of the mortgage lender and, in some cases, our joint venture partner. We believe satisfactory replacements for property managers are available, if required.

Mortgage Debt

In acquiring properties, we use fixed rate mortgage debt to pay from 50% to 65% of the purchase price. Although fixed rate mortgage debt is typically more expensive and less flexible than variable rate mortgage debt (*e.g.*, the interest rate is higher at origination and there are typically high prepayment penalties, yield maintenance payments and/or defeasance penalties when refinancing the debt prior to maturity), we prefer using such debt as it caps our exposure to fluctuating interest rates. We also from time to time obtain supplemental mortgage debt on an acquired property which, among other things, allows us to generate additional cash resulting from the appreciation of the value of the property. As of December 31, 2021, the weighted average annual interest rate of the mortgage debt on all our multi-family properties is 3.91% and the weighted average remaining term to maturity of such debt is approximately 8.2 years.

The following table sets forth scheduled principal (including amortization) mortgage payments due for all of our multi-family properties as of December 31, 2021 (dollars in thousands):

YEAR	Principal Payments Due for Consolidated Properties	Principal Payments Due for Unconsolidated Joint Ventures (1)	Total Principal Payments Due
2022	$ 31,355	$ 6,119	$ 37,474
2023	1,679	42,887	44,566
2024	2,095	8,222	10,317
2025	17,467	9,577	27,044
2026	1,904	142,768	144,672
Thereafter	146,357	378,329	524,686
Total	$ 200,857	$ 587,902	$ 788,759

(1) Does not give effect to the minority interest's share of such debt.

The mortgage debt associated with our multi-family properties, including the mortgage debt at our significant subsidiaries generally contain covenants, including covenants that require (i) compliance with debt service coverage ratios, (ii) the guarantor of the mortgage debt to maintain a certain level of net worth and liquid assets or (iii) in connection with the sale or other transfer of the property, the mortgage debt to be paid off (or assumed by the buyer with the consent of the mortgage lender). The mortgage debt is generally non-recourse to (i) the joint venture that owns the property, subject to standard carve-outs and (ii) to us and our subsidiary acquiring the equity interest in such joint venture. We, at the parent entity level (*i.e*., BRT Apartments Corp.), are the standard carve-out guarantor with respect to our wholly owned properties. (The term "standard carve-outs" refers to recourse items to an otherwise non-recourse mortgage and are customary to mortgage financing. While carve-outs vary from lender to lender and transaction to transaction, the carve-outs may include, among other things, a voluntary bankruptcy filing, environmental liabilities, the sale, financing or encumbrance of the property in violation of loan documents, damage to property as a result of intentional misconduct or gross negligence, failure to pay valid taxes and other claims which could create a lien on a property and the conversion of security deposits, insurance proceeds or condemnation awards). At December 31, 2021, the principal amount of mortgage debt outstanding with respect to the properties at which we are the carve-out guarantor is approximately $189.3 million.

Corporate Level Financing Arrangements

See "*Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Corporate Level Financing Arrangements*" for information about our corporate level financing arrangements.

Insurance

The multi-family properties are covered by all risk property insurance covering 100% of the replacement cost for each building and business interruption and rental loss insurance (covering up to twelve months of loss). On a case-by-case basis, based on an assessment of the likelihood of the risk, availability of insurance, cost of insurance and in accordance with standard market practice, we obtain earthquake, windstorm, flood, terrorism and boiler and machinery insurance. We carry comprehensive liability insurance and umbrella policies for each of our properties which provide no less than $5 million of coverage per incident. We request certain extension of coverage, valuation clauses, and deductibles in accordance with standard market practice and availability.

Although we may carry insurance for potential losses associated with our multi-family properties, we may still incur losses due to uninsured risks, deductibles, co-payments or losses in excess of applicable insurance coverage and those losses may be material. In addition, a substantial amount of our insurance coverage is provided through blanket policies obtained by our joint venture partners or the property managers for such property. A consequence of obtaining insurance coverage in this manner is that losses on properties in which we have no ownership interest could reduce significantly or eliminate the coverage available on one or more properties in which we have an interest.

Status of Former Development Projects

Our former development projects, Canalside Sola - Columbia, SC ("Sola") and Bells Bluff-Nashville, TN ("Bells Bluff"; and together with Sola, "Sola/Bells"), commenced lease up activities during the quarters ended March 31, 2018 and March 31, 2019, respectively, and exited such status in January 2020 and September 2020, respectively. Sola is owned by an unconsolidated joint venture and Bells Bluff, as of August 18, 2021, is wholly-owned by us. At December 31, 2021, approximately 92.6% and 96.8%, respectively of Sola Station and Bells Bluff, respectively, had been leased and are now stabilized properties.

Our Other Real Estate Assets and Activities

In addition to our multi-family properties, we own other real estate assets with an aggregate carrying value of $6.4 million at December 31, 2021, including undeveloped land, cooperative apartment units and a leasehold position at a commercial property. See notes 2 and 3 to our consolidated financial statements.

Competition

We compete to acquire multi-family properties with pension and investment funds, real estate developers, private real estate investors and other owners and operators of such properties. Competition to acquire such properties, among other things, is based on price and the ability to secure financing on a timely basis to complete the acquisition. To the extent that a potential joint venture partner introduces us to a multi-family acquisition opportunity, we compete with other sources of equity capital to participate in such joint venture based on the financial returns we are willing to offer such potential partner and the other terms and conditions of the joint venture arrangement. We also compete for tenants at our multi-family properties—such competition depends upon various factors, including alternative housing options available in the applicable sub-market, rent, amenities provided and proximity to employment and quality of life venues.

Many of our competitors possess greater financial and other resources than we possess.

Government Regulation

Multifamily properties are subject to various laws, ordinances and regulations, including regulations relating to common areas, such as swimming pools, activity centers, and recreational facilities. We believe that each of our properties has the necessary permits and approvals to operate its business.

Americans with Disabilities Act

Our properties must comply with applicable provisions of the Americans with Disabilities Act, which we refer to as the "ADA". Among other things, the ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. We believe that our properties are in substantial compliance with the ADA and that we will not be required to make substantial capital expenditures to address the requirements of the ADA. However, noncompliance with the ADA could result in imposition of fines or an award of damages to private litigants. Our obligations under the ADA are ongoing and we will continue to assess our properties and make alterations as appropriate.

Fair Housing Act

The Fair Housing Act, which we refer to as the "FHA", its state law counterparts and the regulations promulgated by the U.S. Department of Housing and Urban Development and various state agencies, prohibit discrimination in housing on the basis of race or color, national origin, religion, sex, familial status or handicap (disability) and, in some jurisdictions, financial capability or other bases. Our failure to comply with these laws could result in litigation, fines, penalties or other adverse claims, or could result in limitations or restrictions on our ability to operate, any of which could materially and adversely affect us. We believe that we operate our properties in substantial compliance with the FHA.

Environmental Matters

We are subject to regulation at the federal, state and municipal levels and are exposed to potential liability should our properties or actions result in damage to the environment or to other persons or properties. These conditions include the presence or growth of mold, potential leakage of underground storage tanks, breakage or leaks from sewer lines and risks pertaining to waste handling. The potential costs of compliance, property damage restoration and other costs for which we could be liable or which could occur without regard to our fault or knowledge, are unknown and could potentially be material. There are no material claims made or pending against us with regard to environmental damage, nor are we aware of any potential environmental hazards related to any of our properties which could reasonably be expected to result in a material loss.

Human Capital Resources

As of December 31, 2021, we had nine full time employees who devote substantially all of their business time to us. In addition, part-time personnel (including part time executive officers), perform certain executive, administrative, legal, accounting and clerical functions for us. The services of the part-time personnel as well as the provision to us of certain facilities and other resources are supplied pursuant to a shared services agreement between us and several affiliated entities, including Gould Investors L.P., the owner and operator of a diversified portfolio of real estate and other assets. The expenses for the shared personnel, facilities and resources is allocated to us and the other affiliated entities in accordance with the shared services agreement. The allocation is based on the estimated time devoted by such part-time personnel to the affairs of the parties to this agreement.

We also retain several related parties, among other things, to analyze and approve multi-family property acquisitions and dispositions, develop and maintain banking and financing relationships and provide investment advice and long-term planning (the “Services”). The aggregate fees to be paid in 2022, and paid in 2021 and 2020, for the Services, are $1.5 million, $1.4 million and $1.4 million, respectively.

See note 11 to our consolidated financial statements for further information regarding the shared services agreement and the Services.

We provide a competitive benefits program to help meet the needs of our employees. In addition to salaries, the program includes annual cash bonuses, stock awards, pension plan contributions, healthcare and insurance benefits, health savings accounts, flexible spending accounts, paid-time off, family leave and an education benefit. Employees are offered flexibility to meet personal and family needs and regular opportunities to participate in professional development programs. Most of our employees have a long tenure with us, which we believe is indicative of the employee-friendly work environment we provide.

We maintain a work environment that is free from discrimination or harassment on the basis of color, race, sex, national origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression or any other status protected by applicable law, and our employees are compensated in a manner unrelated to their inclusion in any of the foregoing categories.

These workplace protections and compensation benefits are afforded to the part-time personnel providing services to us pursuant to the shared services agreement.

Executive Officers of Registrant

Set forth below is a list of our executive officers whose terms will expire at our 2022 annual Board of Directors' meeting (the business history of officers who are also directors will be provided in our proxy statement to be filed not later than May 2, 2022):

Name	Age	Office
Israel Rosenzweig (1)	74	Chairman of the Board of Directors
Jeffrey A. Gould (2)	56	President, Chief Executive Officer and Director
Mitchell K. Gould (3)	49	Executive Vice President
Matthew J. Gould (2)	62	Senior Vice President and Director
David W. Kalish (4)	74	Senior Vice President - Finance
Mark H. Lundy	59	Senior Vice President and Counsel
Steven Rosenzweig (1)	46	Senior Vice President - Legal
George E. Zweier	58	Vice President and Chief Financial Officer
Isaac Kalish (4)	46	Vice President and Treasurer
Ryan Baltimore	30	Chief Operating Officer

(1) Steven Rosenzweig is the son of Israel Rosenzweig.
(2) Jeffrey A. Gould and Matthew J. Gould are sons of Fredric H. Gould, the former chairman of our board of directors and currently, a director.
(3) Mitchell K. Gould is a cousin of Fredric H. Gould.
(4) Isaac Kalish is the son of David W. Kalish.

Mitchell K. Gould has been employed by us since 1998, and has served as a Vice President since 1999 and Executive Vice President since 2007.

David W. Kalish, a certified public accountant, has been our Senior Vice President, Finance since 1998. Mr. Kalish was our Vice President and Chief Financial Officer from 1990 until 1998. He has been Chief Financial Officer of One Liberty Properties, Inc. and Georgetown Partners, LLC. since 1990. Georgetown Partners is the managing general partner of Gould Investors, a related party.

Mark H. Lundy has been our Counsel and/or General Counsel since 2007, Senior Vice President since 2005 and Vice President from 1993 to 2005. He served as a Vice President of One Liberty Properties from 2000 to 2006 and has been its Secretary and Senior Vice President since June 1993 and 2006, respectively. Since 2013, Mr. Lundy has served as President and Chief Operating Officer, and from 1990 through 2013 as a Vice President (including Senior Vice President), of Georgetown Partners, LLC. He is licensed to practice law in New York and Washington, D.C.

Steven Rosenzweig has been associated with us since 2013, served as a Vice President from 2015 through 2019 and as Senior Vice President - Legal since 2019. He is licensed to practice law in New York.

George E. Zweier, a certified public accountant, has served as our Chief Financial Officer and a Vice President since 1998.

Isaac Kalish, a certified public accountant, has been associated with us since 2004, served as Assistant Treasurer from 2007 through 2014 and as Vice President and Treasurer since 2013 and 2014, respectively. Mr. Kalish has served as Vice President and Assistant Treasurer of One Liberty Properties since 2013 and 2007, respectively, as Assistant Treasurer of Georgetown Partners, LLC from 2012 through 2013, and as its Treasurer since 2013.

Ryan Baltimore has been employed by us since 2013, served as Senior Vice President - Corporate Strategy and Finance from 2019 through January 2022, and as Chief Operating Officer thereafter.

Item 1A. Risk Factors.

Set forth below is a discussion of certain risks affecting our business. The categorization of risks set forth below is meant to help you better understand the risks facing our business and is not intended to limit your consideration of the possible effects of these risks to the listed categories.Any adverse effects arising from the realization of any of the risks discussed, including our financial condition and results of operation, may, and likely will, adversely affect many aspects of our business.

Risks Related to the COVID-19 Pandemic

The continuation of the COVID-19 pandemic, the responses thereto and the economic consequences flowing therefrom, may adversely impact our business, income, cash flow, results of operations, financial condition, liquidity, prospects, ability to service our debt obligations, and our ability to pay cash dividends to our stockholders.

We have faced, and may continue to face, challenges resulting from the COVID-19 pandemic. The economic consequences of the pandemic, among other things, have adversely affected and may continue to adversely affect,the ability of some of our residents to pay rent (due to furloughs, layoffs and/or the expiration of, or reduction in, unemployment benefits). If economic conditions worsen for an extended period, a significant number of residents may be unable to pay rent, and our ability to pay dividends and/or the debt service on our mortgages may be adversely affected. The seesaw nature of the pandemic and its impact on the economy and financial markets present material risks and uncertainties. We are unable to predict the ultimate impact that the pandemic and the related dislocations will have on our business, financial condition, results of operation and cash flows, which will depend largely on various factors outside of our control.

Risks Related to our Business

Most of our multi-family properties are located in the Southeast and Texas which makes us susceptible to adverse developments in such markets.

The operating performance of our multi-family properties is impacted by the economic, environmental and other conditions of the specific markets in which our properties are concentrated. At December 31, 2021: (i) our wholly-owned properties generated approximately 22%, 15%, 14% and 14% of our 2021 revenues from properties located in Georgia, Florida, South Carolina and Virginia, respectively, and (ii) properties owned by unconsolidated joint ventures generated 39%, 14%, 13% and 11% of our 2021 JV Rental and Other Revenues at properties located in Texas, South Carolina, Alabama and Mississippi, respectively. Accordingly, adverse developments in such markets, including economic developments, pandemics, or natural or man-made disasters, could adversely impact the operations of these properties and therefore our operating results and cash flow. The concentration of our properties in the Southeast United States and Texas exposes us to risks of adverse developments which are greater than the risks of owning properties with a more geographically diverse portfolio.

Risks involved in conducting real estate activity through joint ventures.

Most of our multi-family properties are owned through joint ventures with other persons or entities. Joint venture investments involve risks not otherwise present when acquiring real estate directly, including the following:

- our joint venture partners may have economic or business interests or objectives which are or become inconsistent with our business interests or objectives, including differing objectives relating to the sale or refinancing of properties held by the joint venture or the timing of the termination or liquidation of the joint venture;
- the more successful a joint venture project, the more likely that profits or distributions generated above a negotiated threshold will be allocated disproportionately in favor of our joint venture partner at a rate greater than that implied by our partner's equity interest in the venture;
- several of our joint venture partners have other competing real estate interests in the markets in which our properties are located that could influence such partners to take actions favoring their properties to the detriment of the jointly owned properties;
- our joint venture partners obtain blanket property casualty and business interruption insurance insuring properties we own jointly and other properties in which we have no ownership interest and as a result, claims or losses with respect to properties owned by our joint venture partners but in which we have no interest could significantly reduce or eliminate the insurance available to properties in which we have an interest;
- our joint venture partner might become bankrupt, insolvent or otherwise refuse or be unable to meet their obligations to us or the venture (including their obligation to make capital contributions or property distributions when due);
- we may incur liabilities as a result of action taken by our joint venture partner;
- our joint venture partner may not perform its property oversight responsibilities;
- our joint venture partner may be in a position to take action or withhold consent contrary to our instructions or requests, including actions that may make it more difficult to maintain our qualification as a REIT;
- our joint venture partner might engage in unlawful or fraudulent conduct with respect to our jointly owned properties or other properties in which they have an ownership interest;
- changes in personnel managing our joint venture partners have resulted in greater difficulty in working with the new personnel;

- our joint venture partner may trigger a buy-sell arrangement, which could cause us to sell our interest, or acquire our partner's interest, at a time when we otherwise would not have initiated such a transaction;
- disputes between us and our joint venture partners may result in litigation or arbitration that would increase our expenses and divert management's attention from operating our business; and
- disagreements with our joint venture partners with respect to property management (including with respect to whether a property should be sold, refinanced, or improved) could result in an impasse resulting in the inability to operate the property effectively.

Joint venture partners have acted without our authorization (*e.g*., a partner modified a mortgage term without our consent). We also have had, and expect to continue to have, disagreements with joint venture partners over various issues including, among others, as to whether, and the extent to which, value add programs should be implemented at a property, whether a mortgage debt on a property should be refinanced and the terms and conditions of such refinancing, and, because our joint venture structure may incentivize our joint venture partner to sell the property sooner than we would otherwise desire, the timing and terms and conditions of property sales.

We own 14 multi-family properties with three joint venture partners or their affiliates and may be adversely effected if we are unable to maintain a satisfactory working relationship with any one or more of these joint venture partners.

Joint ventures that own six multi-family properties are owned with one joint venture partner or its affiliates, joint ventures that own four multi-family properties are owned with a second joint venture partner or its affiliates and joint ventures that own four multi-family properties are owned with a third joint venture partner or its affiliates. This concentration of ownership of properties with a limited number of joint venture partners exposes us to risks of adverse developments, and in particular, disputes or disagreements with such joint venture partners, which are greater than the risks of owning properties with a more diverse group of joint venture partners.

The failure of third party property management companies to properly manage our properties or obtain sufficient insurance coverage could adversely impact our results of operations.

We and our joint venture partners rely on property management companies to manage our properties. At December 31, 2021, approximately 20 properties are managed by a management company owned by or affiliated with a joint venture partner. These management companies are responsible for, among other things, leasing and marketing rental units, selecting tenants (including an evaluation of the creditworthiness of tenants), collecting rent, paying operating expenses, maintaining the property and obtaining insurance coverage for the properties they manage. If these property management companies do not perform their duties properly or we or our joint venture partners do not effectively supervise the activities of these managers, the occupancy rates and rental rates at the properties managed by such property managers may decline and the expenses at such properties may increase. At December 31, 2021, one property manager manages eight of our properties and a second property manager manages six of our properties, other property managers manage four or fewer properties. The loss of our property managers, and in particular, the managers that manage multiple properties, could result in a decrease in occupancy rates, rental rates or both or an increase in expenses. Further, property managers are also responsible for obtaining insurance coverage with respect to the properties they manage, which coverage is often obtained pursuant to blanket policies covering many properties in which we have no interest. Losses at properties managed by our property managers but in which we have no interest could reduce significantly the insurance coverage available at our properties managed by these property managers. It may be difficult to terminate a non-performing management company, particularly a management company owned or affiliated with a joint venture because such termination may require the approval of the mortgagee, our joint venture partner or both. If we are unable to terminate an underperforming property manager on a timely basis, our occupancy and rental rates may decrease and our expenses may increase.

Increasing real estate taxes, utilities and insurance premiums may negatively impact operating results.

The cost of real estate taxes, utilities and insuring our multi-family properties is a significant component of real estate operating expense. These expenses are subject to significant increases and fluctuations, which we may be unable to control. For example, our share of the insurance premiums at joint venture properties is determined by our joint venture partner at such properties; further, casualty losses at certain properties have resulted in significant increases in the insurance premiums we pay for insurance coverage at such properties. Real estate taxes may increase as our properties are reassessed by taxing authorities and as property tax rates change. Our real estate taxes have increased over time; further, they have fluctuated and may not be comparable year-over-year because of, among other things, (i) the timing difference as to when we accrue real estate taxes and the results of any tax appeals with respect to such accrued taxes and (ii) determinations, over which we have no control, by governmental authorities to increase tax rates, assessments or procedures. If the costs associated with real estate taxes, utilities and insurance premiums should rise, without being offset by a corresponding increase in revenues, our results of operations could be negatively impacted, and our ability to make payments on our debt and to make distributions could be adversely affected.

We may not be able to compete with competitors, many of which have greater financial and other resources than we possess.

We compete with many third parties engaged in the ownership and operation of multi-family properties, including other REITs, specialty finance companies, public and private investors, investment and pension funds and other entities. Many of these competitors have substantially greater financial and other resources than we do. Larger and more established competitors enjoy significant competitive advantages that result from, among other things, enhanced operating efficiencies and more extensive networks providing greater and more favorable access to capital, financing and tax credit allocations and more favorable acquisition opportunities.

Our operating results are significantly influenced by demand for multi-family properties generally, and a decrease in such demand will likely have a greater adverse effect on our revenues than if we owned a more diversified real estate portfolio.

Our current portfolio is focused on multi-family properties, and we expect that going forward we will continue to focus on the acquisition, disposition and operation of such properties. As a result, we are subject to risks inherent in investments in a single industry, and a decrease in the demand for multi-family properties would likely have a greater adverse effect on our rental revenues than if we owned a more diversified real estate portfolio.

Our value-add activities involve greater risks than more conservative investment strategies.

In many cases, we seek to acquire properties at which we believe our investment of additional capital to enhance such properties will result in increased rental rates and higher resale value. These efforts involve greater risks than more conservative investment strategies. The risks related to these value-add activities include risks related to delays in the repositioning or improvement process, higher than expected capital improvement costs, the additional capital needed to execute our value-add program, the possibility that these value-add activities may not result in the anticipated higher rents and occupancy rates and the loss of revenue while these properties or units are undergoing capital improvements. We may also be unable to complete the improvements of these properties and may be forced to hold or sell these properties at a loss. For these and other reasons, we cannot assure you that we will realize growth in the value of our value-add multifamily properties, and as a result, our ability to make distributions to our stockholders could be adversely affected.

Increased competition and increased affordability of residential homes could limit our ability to retain our tenants or increase or maintain rents.

Our multi-family properties compete with numerous housing alternatives, including other multi-family and single-family rental homes, as well as owner occupied single and multi-family homes. Our ability to retain tenants and increase or maintain rents or occupancy levels could be adversely affected by the alternative housing in a particular area and, due to declining housing prices, mortgage interest rates and government programs to promote home ownership, the increasing affordability of owner occupied single and multi-family homes.

Our operating results and assets may be negatively affected if our insurance coverage is insufficient to compensate us for casualty events occurring at our properties.

Our multi-family properties, including the properties owned by the joint ventures in which we are members, carry all risk property insurance covering the property and improvements thereto for the cost of replacement in the event of a casualty. Though we maintain insurance coverage, such coverage may be insufficient to compensate us for losses sustained as a result of a casualty because, among other things:

- the amount of insurance coverage maintained for any property may be insufficient to pay the full replacement cost following a casualty event;
- the rent loss coverage under a policy may not extend for the full period of time that a tenant or tenants may be entitled to a rent abatement that is a result of, or that may be required to complete restoration following, a casualty event;
- certain types of losses, such as those arising from earthquakes, floods, hurricanes and terrorist attacks, may be uninsurable or may not be economically feasible to insure;
- changes in zoning, building codes and ordinances, environmental considerations and other factors may make it impossible or impracticable, to use insurance proceeds to replace damaged or destroyed improvements at a property;

- insurance coverage is part of blanket insurance policies in which losses on properties in which we have no ownership interest could reduce significantly or eliminate the coverage available on our properties; and
- the deductibles applicable to one or more buildings at a property may be greater than the losses sustained at such buildings.

If our insurance coverage is insufficient to cover losses sustained as a result of one or more casualty events, our operating results and the value of our portfolio will be adversely affected.

Development, redevelopment and construction risks could affect our operating results.

We may continue to develop and redevelop multi-family properties. These activities may be exposed to the following risks:

- we have limited experience in development projects and will be dependent on our joint venture partner or the sponsor of the project to oversee the project's implementation;
- we may abandon opportunities that we have already begun to explore for a number of reasons, including changes in local market conditions or increases in construction or financing costs, and, as a result, we may fail to recover expenses already incurred in exploring those opportunities;
- occupancy rates and rents at development properties may fail to meet our original expectations for a number of reasons, including changes in market and economic conditions beyond our control and the development by competitors of competing properties;
- we may be unable to obtain, or experience delays in obtaining, necessary zoning, occupancy, or other required governmental or third party permits and authorizations, which could result in increased costs or the delay or abandonment of development opportunities;
- we may incur costs that exceed our original estimates due to increased material, labor or other costs;
- we may be unable to complete construction and lease-up of a development project on schedule, resulting in increased construction and financing costs and a decrease in expected rental revenues;
- we may be unable to obtain financing with favorable terms, or at all, for the proposed development of a property, which may cause us to delay or abandon a development opportunity; and
- we may be unable to refinance with favorable terms, or at all, any construction or other financing obtained for a development property, which may cause us to sell the property on less favorable terms or surrender the property to the lender.

If we are unable to address effectively these and other risks associated with development projects, our financial condition and results of operations may be adversely effected.

Risks Related to Our Financing Activities, Indebtedness and Capital Resources

If we are unable to refinance $64.7 million in balloon payments on mortgage debt maturing through 2024, we may be forced to sell properties on disadvantageous terms.

As of December 31, 2021, we have balloon payments of $64.7 million on mortgage debt (including $35.3 million of mortgage debt on properties owned by unconsolidated joint ventures) due through 2024 (including $29.4 million and $35.3 million due in 2022 and 2023, respectively). The weighted average interest rate of this debt is 4.05%. Our operating cash flow and funds available under our credit facility will be insufficient to discharge this debt when due. Accordingly, we may seek to refinance this debt or sell the related property prior to the maturity of such debt. Increases in interest rates, or reduced access to credit markets due, among other things, to more stringent lending requirements or our high level of leverage, may make it difficult for us to refinance this mortgage debt on terms as favorable as the current debt. If we are unsuccessful in refinancing such debt, or if the terms of the refinanced debt are less favorable that the current debt, we may be forced to dispose of properties on disadvantageous terms or convey properties secured by such mortgages to the mortgagees, which would reduce our income and impair the value of our portfolio.

Our failure to comply with our obligations under our debt instruments may reduce our stockholders' equity, and adversely affect our net income and ability to pay dividends.

Several of our debt instruments include covenants that require us to maintain certain financial ratios, including various coverage ratios, and comply with other requirements. Failure to meet interest and other payment obligations under our debt instruments or a breach by us of the covenants to comply with certain financial ratios would place us in non-compliance under such instruments. If the lender called a default and required us to repay the full amount outstanding under such instrument, we might be required to rapidly dispose of our properties, including properties securing such debt instruments, which could have an adverse impact on the amounts we receive on such disposition. From time to time we have failed to comply with certain debt covenants. If we are unable to satisfy the covenants of our debt obligations, the lender could exercise remedies available to it under the applicable debt instrument and as otherwise provided by law, including the possible appointment of a receiver to manage the property, application of deposits or reserves maintained under the debt instrument for payment of the debt, or foreclose and/or cause the forced sale of the property or asset securing such debt. A foreclosure or other forced disposition of our assets could result in the disposition of same at below the carrying value of such asset. The disposition of our properties or assets at below our carrying value may adversely affect our net income, reduce our stockholders' equity and adversely affect our ability to pay dividends.

We may not have sufficient funds to make required or desired capital improvements.

Our multi-family properties face competition from newer and updated properties. At December 31, 2021 the weighted average age (based on the number of units) of our multi-family properties is approximately 18 years. To remain competitive and increase occupancy at these properties and/or make them attractive to potential tenants or purchasers, we may have to make significant capital improvements and/or incur deferred maintenance costs with respect to these properties. At December 31, 2021, we have $6.6 million of restricted cash that can only be used for improvements at specific properties. The cost of future improvements and deferred maintenance is uncertain and the amounts earmarked for specific properties may be insufficient to effectuate needed improvements. Our results of operations and financial conditions may be adversely affected if we are required to expend significant funds (other than funds earmarked for such purposes) to repair or improve our properties.

Our acquisition, development and value-add activities are limited by the funds available to us.

Our ability to acquire additional multi-family properties, develop new properties and improve the properties in our portfolio is limited by the funds available to us and our ability to obtain, on acceptable terms, equity contributions from joint venture partners and mortgage debt from lenders. At December 31, 2021, we had $32.3 million of cash and cash equivalents and $6.6 million designated as restricted cash for improvements at 13 multi-family properties. Our multi-family acquisition and value-add activities are constrained by funds available to us which will limit growth in our revenues and operating results.

If we are required to make payments under any "bad boy" carve out guarantees that we have provided in connection with certain mortgages and related loans, our business and financial results could be materially adversely affected.

In obtaining certain non-recourse loans, we have provided our lenders with standard carve out guarantees. These guarantees are only applicable if and when the borrower directly, or indirectly through an agreement with an affiliate, joint venture partner or other third party, voluntarily files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper (commonly referred to as "bad boy" guarantees). Although we believe that "bad boy" carve out guarantees are not guarantees of payment in the event of foreclosure or other actions of the foreclosing lender that are beyond the borrower's control, some lenders in the real estate industry have recently sought to make claims for payment under such guarantees. In the event such a claim were made against us under a "bad boy" carve out guarantee, following foreclosure on mortgages or related loans, and such claim were successful, our business and financial results could be materially adversely affected.

We could be negatively impacted by changes in our relationship with Fannie Mae or Freddie Mac, changes in the condition of Fannie Mae or Freddie Mac and by changes in government support for multi-family housing.

Fannie Mae and Freddie Mac have been a major source of financing for multi-family real estate in the United States and we have used loan programs sponsored by these agencies to finance most of our acquisitions of multi-family properties. There have been ongoing discussion by the government and other interested parties with regard to the long term structure and viability of Fannie Mae and Freddie Mac, which could result in adjustments to guidelines for their loan products. Should these agencies have their mandates changed or reduced, lose key personnel, be disbanded or reorganized by the government or otherwise discontinue providing liquidity for the multi-family sector, our ability to obtain financing through loan programs sponsored by the agencies could be negatively impacted. In addition, changes in our relationships with Fannie Mae and Freddie Mac, and the lenders that participate in these loan programs, with respect to our existing mortgage financing could impact our ability to obtain comparable financing for new acquisitions or refinancing for our existing multi-family real estate investments. Should our access to financing provided through Fannie Mae and Freddie Mac loan programs be reduced or impaired, it would significantly reduce our access to debt capital and/or increase borrowing costs and could significantly limit our ability to acquire properties on acceptable terms and reduce the values to be realized upon property sales.

The phasing out of LIBOR may adversely affect our cash flow and financial results.

Excluding the variable rate mortgage debt associated with a property sold in February 2022, at December 31, 2021 we had $37.4 million in variable rate debt in the form of junior subordinated notes maturing in 2036 and bearing an interest rate which resets quarterly and is based on three-month LIBOR plus 200 basis points (the "LIBOR Debt"). Our exposure to fluctuating interest payments on the LIBOR Debt is unhedged. The authority regulating LIBOR announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after June 2023 and it is possible that LIBOR will become unavailable at an earlier date. Although the LIBOR Debt provide for alternative methods of calculating the interest rate when LIBOR becomes unavailable, such alternative rates may be unavailable in which case we may have to negotiate a secondary alternative rate with the counterparties to the LIBOR Debt – we can provide no assurance that we and our counterparties will be able to agree to a secondary alternative rate. Our cash flow and financial results may be adversely affected if we are unable to arrange a mutually satisfactory alternative rate to LIBOR for our LIBOR Debt. Further, the absence of LIBOR or a generally acceptable alternative thereto may make it more challenging to hedge our interest rate exposure on variable rate debt that we may incur in the future which in turn may make it more difficult to acquire properties.

We depend on our subsidiaries for cash flow and will be adversely impacted if these subsidiaries are prohibited from distributing cash to us.

We conduct, and intend to conduct, substantially all of our business operations through our subsidiaries including our unconsolidated subsidiaries. Accordingly, our only source of cash to fund our operations and pay our obligations are distributions from our subsidiaries. We cannot assure you that our subsidiaries will be able to, or be permitted to, make distributions to us that will enable us to fund our operations. Each of our subsidiaries is or will be a distinct legal entity and, under certain circumstances, legal and contractual restrictions(*e.g.*, restrictions imposed pursuant to mortgage debt on a property), limit our ability to obtain cash from such entities. In addition, because we operate through our subsidiaries, your claims as stockholders will be structurally subordinated to all existing and future liabilities and obligations of our subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our subsidiaries will be able to satisfy your claims as stockholders only after all our and our subsidiaries' liabilities and obligations have been paid in full.

Regulatory and Tax Risks

Changes to the U.S. federal income tax laws could have an adverse impact on our business and financial results.

At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation, or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in the U.S. federal income tax laws, regulations or administrative interpretations.

Liabilities relating to environmental matters may impact the value of our properties.

We may be subject to environmental liabilities arising from the ownership of properties. Under various federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances.

The presence of hazardous substances on our properties may adversely affect our ability to finance or sell the property and we may incur substantial remediation costs. The discovery of material environmental liabilities attached to such properties could have a material adverse effect on our results of operations and financial condition.

Compliance or failure to comply with the ADA or other safety regulations and requirements could result in substantial costs.

The ADA generally requires that public buildings, including the public areas at our properties, be made accessible to disabled persons. Non-compliance could result in the imposition of fines by governmental authorities or the award of damages to private litigants. From time-to-time claims may be asserted against us with respect to some of our properties under the ADA.

If, under the ADA, we are required to make substantial alterations and capital expenditures in one or more of our properties, it could adversely affect our financial condition and results of operations.

Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures that will affect our cash flow and results of operations.

We could be adversely affected if we or any of our subsidiaries are required to register as an investment company under the Investment Company Act of 1940 as amended (the "1940 Act").

We conduct our operations so that neither we, nor any of our subsidiaries is required to register as investment companies under the 1940 Act. If we or any of our subsidiaries is required to register as an investment company but fail to do so, the unregistered entity would be prohibited from engaging in certain business, and criminal and civil actions could be brought against such entity. In addition, the contracts of such entity would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of the entity and liquidate its business.

Risks Associated with the Real Estate Industry and REITs.

We face numerous risks associated with the real estate industry that could adversely affect our results of operations through decreased revenues or increased costs.

As a real estate company, we are subject to various changes in real estate conditions, and any negative trends in such real estate conditions may adversely affect our results of operations through decreased revenues or increased costs. These conditions include:

- changes in national, regional and local economic conditions, which may be negatively impacted by concerns about inflation, deflation, government deficits, unemployment rates and decreased consumer confidence particularly in markets in which we have a high concentration of properties;
- increases in interest rates, which could adversely affect our ability to obtain financing or to buy or sell properties on favorable terms or at all;
- the inability of tenants to pay rent;
- the existence and quality of the competition, such as the attractiveness of our properties as compared to our competitors' properties based on considerations such as convenience of location, rental rates, amenities and safety record;
- increased operating costs, including increased real property taxes, maintenance, insurance and utility costs (including increased prices for fossil fuels);
- weather conditions that may increase or decrease energy costs and other weather-related expenses;
- oversupply of apartments or single-family housing or a reduction in demand for real estate in the markets in which our properties are located;
- a favorable interest rate environment that may result in a significant number of residents or potential residents of our multi-family properties deciding to purchase homes instead of renting;
- changes in, or increased costs of compliance with, laws and/or governmental regulations, including those governing usage, zoning, the environment and taxes; and
- rent control or stabilization laws, or other laws regulating rental housing, which could prevent us from raising rents to offset increases in operating costs.

Moreover, other factors may adversely affect our results of operations, including potential liability under environmental and other laws and other unforeseen events, many of which are discussed elsewhere in the following risk factors. Any or all of these factors could materially adversely affect our results of operations through decreased revenues or increased costs.

Compliance with REIT requirements may hinder our ability to maximize profits.

We must continually satisfy tests concerning, among other things, our sources of income, the amounts we distribute to our stockholders and the ownership of our common stock, to qualify as a REIT for Federal income tax purposes. We may also be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. Accordingly, compliance with REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

To qualify as a REIT, we must also ensure that at the end of each calendar quarter at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets. The remainder of our investment in securities cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of such issuer. In addition, no more than 5% of the value of our assets can consist of the securities of any one issuer, other than a qualified REIT security. If we fail to comply with these requirements, we must dispose of the portion of our assets in excess of such amounts within 30 days after the end of the calendar quarter in order to avoid losing our REIT status and suffering adverse tax consequences. This requirement could cause us to dispose of assets for consideration of less than their true value and could lead to a material adverse impact on our results of operations and financial condition.

Because real estate investments are illiquid, we may not be able to reconfigure our portfolio on a timely basis.

Real estate investments generally cannot be sold quickly. We may not be able to reconfigure our portfolio promptly in response to economic or other conditions. Further, even if we are able to sell properties, we may be unable to reinvest the proceeds of such sales in opportunities that are as favorable as the properties sold. Our inability to reconfigure our portfolio to profitably reinvest the proceeds of property sales promptly could adversely affect our financial condition and results of operations.

We may incur impairment charges in 2022.

We evaluate on a quarterly basis our real estate portfolio for indicators of impairment. Impairment charges reflect management's judgment of the probability and severity of the decline in the value of real estate assets we own. These charges and provisions may be required in the future as a result of factors beyond our control, including, among other things, changes in the economic environment and market conditions affecting the value of real property assets or natural or man-made disasters. In 2021, we incurred a $520,000 impairment charge related to our investment in the joint venture that owned the OPOP Properties and in 2020 we incurred a $3.6 million impairment charge on the South Daytona Property. If we are required to take additional impairment charges, our results of operations will be adversely impacted.

If we do not continue to pay cash dividends, the price of our common stock may decline.

REIT's are generally required to distribute annually at least 90% of their ordinary taxable income to maintain our REIT status under the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, which we refer to as the Code. Because we continue to generate operating losses primarily due to the impact of depreciation, we are not currently required, and may not be required in the future, to pay dividends to maintain our REIT status. Accordingly, we cannot assure you that we will pay dividends in the future. If we do not continue to pay cash dividends, the price of our common stock may decline.

Risks Related to BRT's Organization, Structure and Ownership of its Stock

Our transactions with affiliated entities involve conflicts of interest.

Entities affiliated with us and with certain of our executive officers provide services to us and on our behalf. These transactions may not be on terms as favorable as those that we would receive if the transactions were entered into with unaffiliated entities and persons. Among other things, we retain certain executive officers and others to provide the Services. The aggregate fees to be paid for the Services in 2022, and paid in 2021 and 2020, are $1.5 million, $1.4 million and $1.4 million, respectively. We obtain certain executive, administrative, legal, accounting and clerical personnel and the use of certain facilities pursuant to the shared services agreement. During 2021 and 2020, we reimbursed Gould Investors $641,000 and $761,000, respectively, for the personnel and facilities provided pursuant to the shared services agreement. We also obtain certain insurance in conjunction with Gould Investors and reimbursed Gould Investors $61,000 and $39,000, in 2021 and 2020, respectively, for our share of the insurance cost.

Senior management and other key personnel are critical to our business and our future success may depend on our ability to retain them.

We depend on the services of Jeffrey A. Gould, our president and chief executive officer, and other members of senior management to carry out our business and investment strategies. Although Jeffrey A. Gould devotes substantially all of his business time to our affairs, he devotes a portion of his business time to entities affiliated with us. In addition to Jeffrey A. Gould, only three other executive officers, Mitchell Gould, our executive vice president, Ryan Baltimore, chief operating officer, and George Zweier, vice president and chief financial officer, devote all or substantially all of their business time to us. Many of our executives (i) also provide the Services (see "*Item 1. Business-Human Capital Resources*") and (ii) provide their services on a part-time basis pursuant to the shared services agreement. We rely on part-time executive officers to provide certain services to us, including legal and certain accounting services, since we do not employ full-time executive officers to handle all of these services. If the shared services agreement is terminated or the executives performing Services are unwilling to continue to do so, we will have to obtain such services from other sources or hire employees to perform them. We may not be able to replace these services or hire such employees in a timely manner or on terms, including cost and level of expertise, that are equivalent to or better than those we receive pursuant to the Services and the shared services agreement.

In addition, in the future we may need to attract and retain qualified senior management and other key personnel, both on a full-time and part-time basis. The loss of the services of any of our senior management or other key personnel or our inability to recruit and retain qualified personnel in the future, could impair our ability to carry out our business and our investment strategies.

We do not carry key man life insurance on members of our senior management.

Certain provisions of our Articles of Incorporation, our Bylaws and Maryland law may inhibit a change in control that stockholders consider favorable and could also limit the market price of our common stock

Certain provisions of our Articles of Incorporation (the "Charter"), our Bylaws and Maryland law may impede, or prevent, a third party from acquiring control of us without the approval of our board of directors. These provisions:

- provide for a staggered board of directors consisting of three classes, with one class of directors being elected each year and each class being elected for three-year terms and until their successors are duly elected and qualify;
- impose restrictions on ownership and transfer of our stock (such provisions being intended to, among other purposes, facilitate our compliance with certain requirements under the Internal Revenue Code of 1986, as amended (the "Code"), relating to our qualification as a REIT under the Code);
- prevent our stockholders from amending the Bylaws;
- limit who may call special meetings of stockholders;
- establish advance notice and informational requirements and time limitations on any director nomination or proposal that a stockholder wishes to make at a meeting of stockholders;
- provide that directors may be removed only for cause and only by the vote of at least two-thirds of all votes generally entitled to be cast in the election of directors;
- do not permit cumulative voting in the election of our board of directors, which would otherwise permit holders of less than a majority of outstanding shares to elect one or more directors; and
- authorize our board of directors, without stockholder approval, to amend the Charter to increase or decrease the aggregate number of shares of our stock or the number of shares of stock of any class or series that we have authority to issue and classify or reclassify any unissued shares of common or preferred stock and set the preferences, rights and other terms of the classified or reclassified shares.

Certain provisions of the Maryland General Corporation Law (the “MGCL”) may impede a third party from making a proposal to acquire us or inhibit a change of control under circumstances that otherwise could be in the best interest of holders of shares of our common stock, including:

- “business combination” provisions that, subject to certain exceptions and limitations, prohibit certain business combinations between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock or an affiliate or associate of BRT who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then outstanding voting stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose two super-majority stockholder voting requirements on these combinations;
- “control share” provisions that provide that, subject to certain exceptions, holders of “control shares” of BRT (defined as voting shares which, when aggregated with other shares controlled by the stockholder, entitle the holder to exercise voting power in the election of directors within one of three increasing ranges) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of issued and outstanding “control shares,” subject to certain exceptions) have no voting rights with respect to the control shares except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares; and
- additionally, Title 3, Subtitle 8 of the MGCL permits our board of directors, without stockholder approval and regardless of what is currently provided in the Charter or the Bylaws, to implement certain corporate governance provisions.

We have (1) exempted all business combinations between us and any other person, provided that each such business combination is first approved by our board of directors (including a majority of directors who are not affiliates or associates of such other person), from the Maryland Business Combination Act and (2) opted out of the Maryland Control Share Acquisition Act.

Ownership of less than 6.0% of our outstanding shares or less than 6.0% of the aggregate outstanding shares of all classes and series of our stock could violate the restrictions on ownership and transfer in our Charter, which would result in the transfer of the shares owned or acquired in violation of such restrictions to a trust for the benefit of a charitable beneficiary and loss of the right to receive dividends and other distributions on, and the economic benefit of any appreciation of, such shares, and you may not have sufficient information to determine at any particular time whether an acquisition of our shares will result in the loss of the economic benefit of such shares.

In order for us to qualify as a real estate investment trust under the Code, no more than 50% of the value of the outstanding shares of our stock may be owned, directly or indirectly or through application of certain attribution rules, by five or fewer “individuals” (as defined in the Code) at any time during the last half of a taxable year. To facilitate our qualification as a REIT under the Code, among other purposes, the Charter generally prohibits any person from actually or constructively owning more than 6.0%, in value or number of shares, whichever is more restrictive, of our outstanding shares of common stock, or more than 6.0% in value of the aggregate outstanding shares of all classes and series of our stock, which we refer to as the “ownership limits,” unless our board of directors exempts the person from such ownership limit. In addition, the Charter prohibits any person from beneficially or constructively owning shares of our stock that would result in more than 50% of the value of the outstanding shares of our stock to be beneficially owned by five or fewer individuals, regardless of whether such ownership is during the last half of any taxable year, which we refer to as the “Five or Fewer Limit.” Shares owned or acquired in violation of either of these restrictions will be transferred automatically to a trust for the benefit of a charitable beneficiary selected by us. The person that owned or acquired our stock in violation of the restrictions in the Charter will not be entitled to any dividends or distributions paid after the date of the transfer to the trust and, upon a sale of such shares by the trust, will generally be entitled to receive only the lesser of the market value on the date of the event that resulted in the transfer to the trust or the net proceeds of the sale by the trust to a person who could own the shares without violating the ownership limits.

Our board of directors has exempted Gould Investors, Fredric H. Gould, Matthew J. Gould and Jeffrey A. Gould from the ownership limits and has not established a limitation on ownership for such persons. Based on information supplied to us, as of December 31, 2021, Gould Investors owns approximately 16.1% of the outstanding shares of common stock and, by virtue of the applicable attribution rules under the Code, one individual currently beneficially owns 22.0% of outstanding shares of common stock. As a result, the acquisition by each of four other individuals of 6.0% of our outstanding common stock, when combined with the ownership of our common stock of Gould Investors, Fredric H. Gould, Matthew J. Gould and Jeffrey A. Gould, generally would not result in a violation of the Five or Fewer Limit.

However, there is no limitation on Gould Investors, Fredric H. Gould, Matthew J. Gould, Jeffrey A. Gould acquiring additional shares of our common stock or otherwise increasing their percentage of ownership of our common stock, meaning that the amount of our stock that other persons or entities may acquire without violating the Five or Fewer Limit could be reduced in the future and without notice. To the extent that Gould Investors, Fredric H. Gould, Matthew J. Gould and Jeffrey A. Gould, or their affiliates, acquire additional shares or our stock, or any other event occurs (including a repurchase of shares of our stock), that results in an individual beneficially or constructively owning 26.0% or more of the outstanding shares of our stock within the meaning of the Charter, the acquisition by four other individuals of 6.0% or less of our outstanding stock would violate the Five or Fewer Limit and, therefore, could cause the stock acquired by one or more of these other individuals to be transferred to the charitable trust, despite their compliance with the 6.0% ownership limits. If any of the foregoing occurs, compliance with the 6.0% ownership limit will not ensure that your ownership of our stock does not cause a violation of the Five or Fewer Limit or that your shares of our stock are not transferred to the charitable trust.

Gould Investors, Fredric H. Gould, Matthew J. Gould and Jeffrey A. Gould will be required by the Exchange Act and regulations promulgated thereunder to report, with certain exceptions, their acquisition of additional shares of our stock within two days of such acquisitions, and all holders of our stock will be required to file reports of their acquisition of beneficial ownership (as defined in the Exchange Act) of more than 5% of our outstanding stock. However, beneficial ownership for purposes of the reporting requirements under the Exchange Act is calculated differently than beneficial ownership for purposes of determining compliance with the Five or Fewer Limit. Further, to the extent that any one or more of Gould Investors, Fredric H. Gould, Matthew J. Gould or Jeffrey A. Gould acquires 30% or more of our outstanding stock, ownership of five percent or less of our outstanding stock could still result in a violation of the Five or Fewer Limit and, therefore, cause newly-acquired stock in our company to be transferred to the charitable trust. As a result, you may not have enough information currently available to you at any time to determine the percentage of ownership of our stock that you can acquire without violating the Five or Fewer Limit and losing the economic benefit of the ownership of such newly-acquired shares.

The stock market is volatile, and fluctuations in our operating results, removal from various indices and other factors could cause our stock price to decline.

The stock market has experienced, and may continue to experience, fluctuations that significantly impact the market prices of securities issued by many companies. Market fluctuations could adversely affect our stock price. These fluctuations have often been unrelated or disproportionate to the operating performance of particular companies. These broad market fluctuations, as well as general economic, systemic, political and market conditions, such as pandemics, recessions, loss of investor confidence, interest rate changes, government shutdowns, or trade wars, may negatively affect the market price of our common stock. Moreover, our operating results may fluctuate and vary from period to period due to the risk factors set forth herein.

Although our common stock is quoted on the New York Stock Exchange, the volume of trades on any given day has been limited historically, as a result of which stockholders might not have been able to sell or purchase our common stock at the volume, price or time desired. In June 2018, our common stock was added to the Russell 3000® Index. In the short term this may have favorably impacted the price, trading volume, and liquidity of our common stock, in part, because holders attempting to track the composition of that index may have been required to buy our common stock, which could cause a material increase in the price at which our common stock trades. If our common stock is removed from the Russell 3000® Index because it does not meet the criteria for continued inclusion in such index, index funds, institutional investors, or other holders attempting to track the composition of that index may be required to sell our common stock, which would adversely impact the price and frequency at which it trades.

General Business Risks

Breaches of information technology systems could materially harm our business and reputation.

We, our joint venture partners and the property managers managing our properties, collect and retain, through information technology systems, financial, personal and other sensitive information provided by third parties, including tenants, vendors and employees. Such persons also rely on information technology systems for the collection and distribution of funds. Our information technology systems have been breached though, to our knowledge, none of our properties nor tenants have suffered any material damages therefrom. There can be no assurance that we, our joint venture partners or property managers will be able to prevent unauthorized access to sensitive information or the unauthorized distribution of funds. Any loss of this information or unauthorized distribution of funds as a result of a breach of information technology systems may result in loss of funds to which we are entitled, legal liability and costs (including damages and penalties), as well as damage to our reputation, that could materially and adversely affect our business and financial performance.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

Our executive office is located at 60 Cutter Mill Road, Suite 303, Great Neck, New York. We believe that such facilities are satisfactory for our current and projected needs.

See *"Item 1—Business"* for additional information regarding our properties.

Item 3. Legal Proceedings.

A wholly-owned subsidiary of ours that owns a property in Houston, TX is named as a defendant, along with multiple defendants in an action *(Takakura et al. v. Houston Pizza Venture, LP, and Papa John's USA., Inc. et.al.,* 129th Judicial District, Harris County, Texas, Cause No. 2019-42425), alleging the wrongful death as a result of a homicide of a delivery person at our property. The complaint seeks compensatory damages in an unspecified amount in excess of $1 million and an unspecified amount of exemplary damages. Our primary insurance carrier is defending the claim; we believe we have sufficient primary and umbrella insurance to cover the claim for compensatory damages. Insurance generally does not cover claims for exemplary damages.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information; Holders

Our shares of common stock are listed on the New York Stock Exchange, or the NYSE, under the symbol "BRT." As of March 7, 2022, there were approximately 748 holders of record of our common stock.

Issuer Purchases of Equity Securities

As of October 1, 2021, our Board of Directors authorized us to repurchase up to $5.0 million of shares of our common stock through December 31, 2023. During the quarter ended December 31, 2021, we did not repurchase any shares of common stock.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

We are an internally managed real estate investment trust, also known as a REIT, that is focused on the ownership, operation and, to a lesser extent, development of multi-family properties. These properties may be wholly owned or owned by unconsolidated joint ventures in which we generally contributed 65% to 80% of the equity. At December 31, 2021, we: (i) wholly-own ten multi-family properties with an aggregate of 2,576 units and a carrying value of $291.5 million, and (ii) have ownership interests, through unconsolidated entities, in 23 multi-family properties with an aggregate of 6,697 units, and the carrying value of our net equity investment therein is $112.3 million. These 33 properties are located in eleven states; most of which are located in the Southeast United States and Texas.

The Impact of the COVID-19 Pandemic; 2021 and Recent Developments.

The pandemic did not have a direct material adverse effect on our financial condition and results of operations; however, there were some direct negative effects (*e.g.*, properties adjacent to colleges and universities experienced lower occupancy levels and rental income due to remote learning) and indirect negative effects (*e.g.,* we were more conservative in raising rents, pursuing acquisitions and in implementing our value add program, all of which, if more aggressively pursued, may have allowed us to generate additional income). The impact of the pandemic on our business, financial condition, liquidity, results of operations and prospects will depend on future developments, which are highly uncertain and cannot be predicted with confidence.

During 2021:

<u>Purchases</u>

- we purchased the interests of our joint venture partners in ventures that own three multi-family properties (*i.e.,* Bells Bluff, Crestmont at Thornblade, and Crossings at Bellevue) for an aggregate purchase price of $45.6 million. As a result, these properties are wholly-owned and the accounts and results of operations of these properties are included directly in our consolidated financial statements as of the applicable date of purchase (the "Consolidating Transactions"). In connection with these transactions, we assumed mortgage debt of $26.4 million at Crestmont at Thornblade and obtained replacement mortgage debt of $89.7 million to replace the existing debt of $61.8 million on the other two properties. In 2021, these three properties contributed in the aggregate, $4.4 million in rental revenues, $2.0 million in operating expenses, $1.0 million in interest expense and $2.2 million in depreciation, respectively, in the aggregate in 2021. In 2022, we anticipate that these three properties will generate approximately $17.0 million in rental revenues, $7.4 million of real estate operating expense, $4.0 million in interest expense and $8.1 million in depreciation.
- we purchased an additional 14.7% interest in Civic Center I and Civic Center II - Southaven, MS from our joint venture partner for $6.0 million. After giving effect to this purchase, we own 74.7% of the venture that owns these properties.

<u>Sales</u>

- we sold Kendall Manor - Houston, TX, a wholly-owned property ("Kendall Manor"), to an unrelated third party for $24.5 million and recognized a gain on the sale of this property of $7.3 million. In connection with the sale, we paid off the $14.3 million of mortgage debt maturing in August 2021 and bearing an annual interest rate of 4.29%. During (a) 2021(through the May 26 sale date), this property contributed $1.2 million of rental income, $830,000 thousand million of real estate operating expenses, $272,000 of interest expense and $123,000 of depreciation, and (b) 2020, this property contributed $2.9 million of rental income, $1.9 million of real estate operating expenses, $675,000 of interest expense and $848,000 of depreciation.
- we sold our interests in the unconsolidated joint ventures that owned (a) Anatole Apartments - Daytona Beach, FL(“Anatole Apartments”), and (b)Tower at OPOP and Lofts at OPOP-St Louis, MO (collectively, the "OPOP Properties”), to our joint venture partners, for $10.5 million and recognized a gain on sales of our partnership interests of $2.6 million, after giving effect to the impairment charge of $520,000 taken in connection with the sale of OPOP Properties. We refer to the sale of the interests in Anatole Apartments and OPOP Properties as the "Anatole/OPOP Sales". In 2021 and 2020, these properties contributed $1.0 million and $1.1 million, respectively, in equity in loss of unconsolidated joint ventures.

- the unconsolidated joint venture which owned The Avenue Apartments, Ocoee, FL, and Parc at 980, Lawrenceville, GA, sold these properties (collectively, the "Avenue/Parc Sale") for an aggregate of $225.9 million and recognized an aggregate gain on the sale of these properties of $84.0 million. As a result of these sales, we recorded an aggregate gain of $35.0 million. The mortgage debt secured by these properties and discharged in connection with the sales was in aggregate principal amount of $107.5 million, had weighted average interest rate of 3.94% and a weighted average remaining term to maturity of 6.6 years. In connection with these sales, the joint venture recognized an aggregate loss on the extinguishment of debt of $9.4 million, of which our share was $4.6 million. During 2021 (through the applicable sales dates) and 2020, these properties contributed $60,000 and $(54,000), respectively, of equity in earnings (loss) of unconsolidated joint ventures.

- we sold a cooperative apartment unit located in New York, NY for a sale price of $545,000 and recognized a gain of $414,000

Financing;Other

- we amended and restated our credit facility, among other things, to increase the amount available to be borrowed to $35 million, reduce the interest rate to 25 basis points over the prime rate with a floor of 3.5%, and extend the facility through November 2024.

- our consolidated subsidiaries paid-off three first mortgages and three supplemental mortgages with an aggregate balance of $31.9 million. These mortgages had a weighted average interest rate of 4.53% and a remaining term to maturity of nine months. In connection with the payoffs, we incurred a loss on the extinguishment of debt of $822,000.

- we raised approximately $9.6 million of equity from the sale of 529,126 shares of our common stock.

- we effected, in September 2021, a 4.5% per share increase in our cash dividend, and declared dividends of an aggregate of $0.90 per share in 2021.

- we maintained an average occupancy rate of 97.1% at our wholly owned properties and 94.2% at our joint venture properties.

Subsequent to December 31, 2021,

- we sold a vacant land parcel located in Daytona, Florida (the "South Daytona Property") for a sales price of $4.7 million, and after closing costs recognized a nominal gain. In 2020, we recognized an impairment charge of $3.6 million in connection with this property.

- we acquired for $ 3.5 million a 17.45% interest in a planned 240-unit development property located in John's Island SC. We anticipate that this development will be completed in the fourth quarter of 2023.

- the unconsolidated joint venture in which we have a 65% equity interest sold The Veranda at Shavano, a 288-unit multi-family property in San Antonio, Texas, for a sales price of $53.8 million. We estimate that the gain on the sale of this property will be approximately $23.7 million and that our share of the gain, which will be recognized in the first quarter of 2022, will be approximately $12.7 million. This property was secured by $25.1 million of floating rate mortgage debt with 1.4 years of remaining term to maturity which was repaid in connection with the sale. The venture also terminated an interest rate swap and paid a termination fee of $188,000, of which our share will be approximately $122,000. During the year ended December 31, 2021, this property generated $526,000 of equity in earnings from unconsolidated joint ventures, which includes a $616,000 gain from insurance proceeds. During the year ended December 31, 2020, this property generated $322,000 of equity in loss from unconsolidated joint ventures.

- we used our available cash to pay-off $15.5 million of 4.29% mortgage debt of Avalon Apartments - Pensacola, FL, a wholly owned property, that was scheduled to mature in March 2022.

- we raised $2.2 million of equity from the sale of 100,000 shares of our common stock pursuant to our at-the-market offering program through March 1, 2022.

- we announced that we entered into separate agreements to acquire (the “2022 Partner Buyouts”) the remaining interests of five of our joint venture partners at five multi-family properties with an aggregate of 1,064 units. The aggregate purchase price for these interests is approximately $30.4 million and in connection with such purchases, we will assume mortgage debt that as of December 31, 2021, was in aggregate principal amount of $97.7 million. (Such mortgage debt is currently reflected in Item 7. *"Management's Discussion and Analysis of Financial Condition and Results of Operations- Disclosure of Known Material Contractual Obligations").* The completion of these purchases is subject to customary closing conditions (including with respect to four of the purchases, the approval of the holder of the applicable mortgage debt), and no purchase is contingent upon the completion of any other purchase. The weighted average remaining term to maturity of the mortgage debt to be assumed is 7.1 years and the weighted average interest rate thereon is 4.17%. This mortgage debt will be non-recourse to us at the BRT parent level and to our subsidiary that owns the applicable property, subject to customary carve-out guarantees and indemnities at the parent and property subsidiary levels. During 2021, these properties contributed an aggregate of $295,000 of equity in loss of unconsolidated joint ventures. We anticipate using our available cash to fund these purchases and that these transactions will be completed over the next several months. After a purchase is completed, such property will be wholly owned and the accounts and operations of such property will be included directly, from the date of such purchase, in our consolidated balance sheets and consolidated statement of operations, respectively. As a result, we anticipate that our revenues, total expenses, assets and liabilities, will increase. We can provide no assurance that any of these transactions will be completed or that if completed, will be accretive.

2022 Acquisition Plan

Given the highly competitive environment to acquire multi-family properties, and our belief that in the current environment buying properties from third parties will not generate an appropriate risk adjusted return for our stockholders, we are emphasizing the purchase of the interests of our joint venture partners ("Partner Buyouts"). Although we believe that the blended rate of return we anticipate generating from the Partner Buyouts will be superior to that available from other acquisition opportunities currently available in the market, the blended rate of return on our investment generated from Partner Buyouts will not be as favorable as those we generated in the past from such properties prior to such Partner Buyouts. We also anticipate making a greater effort to buy properties directly (*i.e.*, without joint venture partners) as direct purchases may be attractive if we do not have to pay a promote. See "*Item 1.Business-Our Acquisition Approach-Current Acquisition Approach*".

Results of Operations

Comparison of Years Ended December 31, 2021 and 2020

The term "same store properties" refers to seven multi-family properties that were owned for all of 2021 and 2020. The term "unconsolidated same store properties" refers to 21 properties that were owned for all of 2021 and 2020, other than the Sola Station property that was in lease-up.

Revenues

The following table compares our revenues for the years indicated:

(Dollars in thousands):	2021	2020	Increase (Decrease)	% Change
Rental and other revenue from real estate properties	$ 32,041	$ 27,451	$ 4,590	16.7 %
Other income	16	651	(635)	(97.5)%
Total revenues	$ 32,057	$ 28,102	$ 3,955	14.1 %

Rental and other revenue from real estate properties. The components of the increase include:

- $4.4 million due to the inclusion of the revenues from the Consolidating Transactions;
- $1.8 million from same store properties, of which approximately $909,000 is due to higher rental rates, $511,000 from increased occupancy and $361,000 is due to an increase in ancillary income (*e.g.,* utility reimbursements and late fees)- approximately $592,000 of the $1.8 million increase is due to increased rents and occupancy at Avalon Apartments - Pensacola, Florida.

The increase was offset by the inclusion, in 2020, of $1.7 million of rental and other revenue from the Kendall Property.

Other income. The decrease is due to reduced interest income resulting from the sale of a loan on September 30, 2020.

Expenses

The following table compares our expenses for the periods indicated:

(Dollars in thousands)	2021	2020	Increase (Decrease)	% Change
Real estate operating expenses	$ 14,202	$ 12,377	$ 1,825	14.7 %
Interest expense	6,757	7,100	(343)	(4.8)%
General and administrative	12,621	11,701	920	7.9 %
Impairment charge	520	3,642	(3,122)	(85.7)%
Depreciation	8,025	6,742	1,283	19.0 %
Total expenses	$ 42,125	$ 41,562	$ 563	1.4 %

Real estate operating expenses. The components of the increase include:

- $2.0 million from the inclusion of the expenses from the Consolidating Transactions; and
- $765,000 from same store properties, including a $303,000 increase in real estate taxes at Avondale Station - Decatur, GA, due to an increase in the assessment of the property's value and a $164,000 increase in insurance premiums across the portfolio.

The increase was offset by $1.0 million of expenses related to the Kendall Manor sale.

Interest expense. The decrease is due to a :

- $693,000 decrease from same store properties due to the payoff of mortgage debt;
- $404,000 decrease from the Kendall Manor sale; and
- $270,000 decrease primarily due to the 73 basis point decrease in the average interest rate on our floating rate junior subordinated debt resulting from the decline in the three-month LIBOR rate. See *Item 7A. "Quantitative and Qualitative Disclosures About Market Risk"* for information regarding the impact of changes in the LIBOR rate.

This was offset by an $1.0 million increase in interest expense from the Consolidating Transactions.

General and administrative.

The increase is due to:

- a $1.2 million increase in compensation expense, including $478,000 of increased non-cash amortization expense due primarily to the RSUs granted in 2021, $323,000 due to the non-cash amortization of restricted stock expense (primarily related to the higher fair value of the shares granted in January 2021 in comparison to the shares issued in 2016 and that vested in 2021), and $318,000 due to the non-cash amortization of restricted stock expense that was issued in June 2021; and
- a $469,000 increase in professional expenses incurred during the 2021 period, including $291,000 related to the follow-on-equity offering terminated in May 2021 and $178,000 in general legal and accounting fees and consulting fees related to compensation and insurance matters. These increases were offset by the inclusion, in the corresponding period of 2020, of (i) $712,000 of professional fees and expenses related to the restatement of our financial statements in 2020 and (ii) $120,000 in costs related to our shared services agreement, primarily related to costs related to the restatement of our financial statements in 2020.

Impairment charge

In 2021, we recorded an impairment charge of $520,000 representing the excess of the book value of our investment in OPOP Properties over the expected sale price of the investment. OPOP Properties was sold in November 2021. In 2020, we recorded a $3.6 million impairment charge with respect to the South Daytona Property. This property was sold in February 2022.

Depreciation

The increase is due the inclusion of $2.2 million of depreciation from the Consolidating Transactions.

The increase was offset by:

- a $726,000 decline due to the Kendall Manor sale; and

- the inclusion in 2020 of a $233,000 adjustment (*i.e.*, to reflect an increase in the asset value) to such expense in connection with our purchase of our joint venture partner's interest in the ventures that owns Kilburn Crossing and Parkway Grande.

Other revenue and expense items

See *"- Unconsolidated Joint Ventures - Results of Operations"* below for a discussion of Equity in loss on unconsolidated joint ventures and Equity in earnings from sale of unconsolidated joint venture properties

Gain on sale of real estate

In 2021, we recognized gains of $7.3 million from the Kendall Sale and $414,000 from the sale of a cooperative apartment in New York, NY. There was no comparable gain in 2020.

Gain on sale of partnership interest

In 2021, we recognized gains of $2.2 million in connection with the sale of our interest in the joint venture which owns Anatole Apartments, and $388,000 from the sale of our interest in the joint venture which owns the OPOP Properties. The gain on the sale of OPOP Properties is net of an impairment charge of $520,000 taken in 2021 to reduce the carrying value of the investment to its fair value. There was no comparable gain in 2020.

Loss on extinguishment of debt.

In 2021, we incurred $1.6 million of prepayment charges and deferred loan fee write-offs on the payoff of three first mortgage loans and three supplemental loans with an aggregate outstanding principal balance of $37.9 million and the refinance of a mortgage loan in connection with the purchase of the interests of our joint venture partners in Crestmont at Thornblade. There was no comparable loss in 2020.

Unconsolidated Joint Ventures - Results of Operations.

Equity in (loss) earnings of unconsolidated joint ventures

The table below reflects the condensed income statements of our unconsolidated properties included in note 7 of our consolidated financial statements. In accordance with US generally accepted accounting principles, each of the line items in the chart below is presented as if these properties are wholly owned by us, although as reflected under " *Item 1. Business - Our Multi- Family Properties*", our equity interests in these properties range from 32% to 90% (dollars in thousands):

	Year Ended December 31,			
	2021	2020	Increase (Decrease)	% change
Rental revenues from unconsolidated joint ventures	$ 121,906	$ 127,058	$ (5,152)	(4.1)%
Real estate operating expense from unconsolidated joint ventures	56,507	60,326	(3,819)	(6.3)%
Interest expense from unconsolidated joint ventures	30,964	34,918	(3,954)	(11.3)%
Depreciation from unconsolidated joint ventures	35,636	41,657	(6,021)	(14.5)%
Total expenses from unconsolidated joint ventures	123,107	136,901	(13,794)	(10.1)%
Total revenues less total expenses from unconsolidated joint ventures	(1,201)	(9,843)	8,642	(87.8)%
Other equity in earnings from unconsolidated joint ventures	54	117	(63)	(53.8)%
Impairment of assets	(2,813)	—	(2,813)	N/A
Insurance recoveries from unconsolidated joint ventures	2,813	—	2,813	N/A
Gain on sale of real estate from unconsolidated joint ventures	83,984	—	83,984	N/A
Gain on insurance proceeds from unconsolidated joint ventures	2,179	765	1,414	184.8 %
Loss on extinguishment of debt from unconsolidated joint ventures	(9,401)	—	(9,401)	N/A
Net (loss) income	$ 75,615	$ (8,961)	$ 84,576	
Equity in earnings (loss) and gain on sale of real estate of unconsolidated joint ventures	$ 30,774	$ (6,024)		

Rental revenue from unconsolidated joint ventures

The decrease is due primarily to:

- $7.0 million from the Avenue/Parc Sale;
- $2.5 million from the Anatole/OPOP Sale; and
- $2.5 million due to the Consolidating Transactions.

The decrease was offset by:

- a $5.7 million increase in rental revenue from unconsolidated same store properties - $3.3 million from an increase in rental rates, $1.4 million from increased occupancy and $1.0 million due to an increase in ancillary fees (*e.g.,* late fees, waiver fees and tech/cable package) - approximately $967,000 of the increase is due to Mercer Crossing - Farmers Branch, TX, $542,000 is due to Chatham Court and Reflections - Dallas, TX and $480,000 is due to Cinco Ranch-Katy, TX;
- $605,000 from the inclusion, for all of 2021, a property (*i.e.*, Sola Station- Columbia, SC) that was in lease-up for a portion of 2020, and
- $594,000 from the inclusion, for all of 2021, of Abbotts Run-Wilmington, NC ("Abbots Run"), that was only owned for a portion of 2020.

Real estate operating expenses from unconsolidated joint ventures

The components of the decrease include:

- $3.3 million due to the Avenue/Parc Sale;
- $1.4 million from the Consolidating Transactions; and
- $1.3 million from the Anatole/OPOP Sales.

The decrease was offset by:

- a $1.8 million increase from unconsolidated same store properties, including increases of $579,000 in repairs, maintenance and replacement costs, $576,000 in utility costs, $352,000 in payroll and leasing commissions, and $315,000 in insurance costs, and
- $409,000 from the inclusion, for all of 2021, of Abbotts Run.

Interest expense from unconsolidated joint ventures. The components of the decrease are $1.9 million due to the Avenue/ Parc Sale, $1.2 million due to the Consolidating Transactions, $616,000 from the Anatole/OPOP Sales and the balance is due primarily to reduced principal balances on mortgages at unconsolidated same store properties resulting from amortization.

Depreciation from unconsolidated joint ventures. The components of the decrease are $2.8 million due to to the Avenue/ Parc Sale, $1.5 million due to the Consolidating Transactions, $692,000 from the Anatole/OPOP Sales and $1.0 million due to a decrease in depreciable assets.

Impairment charges from unconsolidated joint ventures. During 2021, we recognized $2.8 million of impairment charges related to the February 2021 Texas winter storm (the "Texas Storm"). There were no comparable charges in 2020.

Insurance recoveries from unconsolidated joint ventures. During 2021, we recognized $2.8 million of insurance recoveries related to the Texas Storm. There were no comparable recoveries in 2020.

Gain on insurance recoveries from unconsolidated joint ventures. During 2021, we recognized $1.9 million in gains from insurance recoveries at two properties (*i.e.,* Verandas at Shavano and Retreat at Cinco Ranch, both located in San Antonio, TX), that were damaged by the Texas Storm, and $325,000 from an insurance claim on Magnolia Pointe - Madison, AL, that sustained fire damage in a prior year, as in each case, the amounts received on claims exceeded the assets previously written-off. In 2020, we also recognized a gain of $765,000 related to Magnolia Pointe - Madison, AL, property.

Gain on sale of real estate from unconsolidated joint ventures

On July 20, 2021, the unconsolidated joint venture which owned The Avenue Apartments, Ocoee, FL, sold the property for $107.7 million and recognized a gain on the sale of this property of $39.7 million.

On July 28, 2021, the unconsolidated joint venture which owned Parc at 980, Lawrenceville, GA, sold the property for $118.3 million and recognized a gain on the sale of this property of $44.3 million.

There were no comparable sales in 2020.

Loss on early extinguishment of debt from unconsolidated joint ventures

The loss in 2021 is due to prepayment charges in connection with the payoff of the mortgages related to the Avenue/Parc Sale. There was no comparable loss in 2020.

Comparison of Years Ended December 31, 2020 and 2019

As we qualify as a smaller reporting company, this comparison is omitted in accordance with Instruction 1 to Item 303(a) of Regulation S-K.

Funds from Operations; Adjusted Funds from Operations; Net Operating Income.

In view of our multi-family property activities, we disclose funds from operations ("FFO") ,adjusted funds from operations ("AFFO") and net operating income ("NOI") because we believe that such metrics are a widely recognized and appropriate measure of the performance of a multi-family REIT.

We compute FFO in accordance with the "White Paper on Funds From Operations" issued by the National Association of Real Estate Investment Trusts ("NAREIT") and NAREIT's related guidance. FFO is defined in the White Paper as net income (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment write-downs of certain real estate assets and investments in entities where the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect funds from operations on the same basis. In computing FFO, we do not add back to net income the amortization of costs in connection with our financing activities or depreciation of non-real estate assets.

We compute AFFO by adjusting FFO for loss on extinguishment of debt, our straight-line rent accruals, restricted stock and RSU compensation expense, gain on insurance recovery, and deferred mortgage and debt costs (including our share of our unconsolidated joint ventures). Since the NAREIT White Paper does not provide guidelines for computing AFFO, the computation of AFFO may vary from one REIT to another.

We believe 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, we believe 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. We also consider FFO and AFFO to be useful to us 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.

FFO and AFFO do not measure whether cash flow is sufficient to fund all of our cash needs, including principal amortization and capital improvements. FFO and AFFO do not represent cash flows from operating, investing or financing activities as defined by GAAP.

Management recognizes that there are limitations in the use of FFO and AFFO. In evaluating our performance, management is careful to examine GAAP measures such as net income (loss) and cash flows from operating, investing and financing activities. Management also reviews the reconciliation of net income (loss) to FFO and AFFO.

The table below provides a reconciliation of net (loss) income determined in accordance with GAAP to FFO and AFFO for each of the indicated years (amounts in thousands):

	2021	2020
GAAP Net income (loss) attributable to common stockholders	$ 29,114	$ (19,862)
Add: depreciation of properties	8,025	6,742
Add: our share of depreciation in unconsolidated joint venture properties	23,083	26,493
Add: impairment charge	520	3,642
Add: our share of impairment charge in unconsolidated joint venture properties	2,010	—
Deduct: our share of earnings in earnings from sale of unconsolidated joint venture properties	(34,982)	—
Deduct: gain on sales of real estate and partnership interests	(10,325)	—
Adjustment for non-controlling interests	(16)	(16)
Funds from operations	17,429	16,999
Adjust for: straight-line rent accruals	(18)	(40)
Add: loss on extinguishment of debt	1,575	—
Add: our share of loss on extinguishment of debt from unconsolidated joint venture properties	4,581	—
Add: amortization of restricted stock and RSU expense	2,941	1,821
Add: amortization of deferred mortgage and debt costs	295	320
Add: our share of deferred mortgage costs from unconsolidated joint venture properties	542	626
Less: our share of insurance recovery from unconsolidated joint ventures	(2,010)	—
Less: our share of gain on insurance proceeds from unconsolidated joint venture properties	(1,528)	(519)
Adjustment for non-controlling interests	4	6
Adjusted funds from operations	$ 23,811	$ 19,213

The table below provides a reconciliation of net (loss) income per common share (on a diluted basis) determined in accordance with GAAP to FFO and AFFO.

	2021	2020
Net income (loss) attributable to common stockholders	$ 1.62	$ (1.16)
Add: depreciation of properties	0.45	0.39
Add: our share of depreciation from unconsolidated joint venture properties	1.29	1.55
Add: impairment charge	0.03	0.21
Add: our share of impairment charge in unconsolidated joint ventures	0.11	—
Deduct: our share of earnings from sale of unconsolidated joint venture properties	(1.95)	—
Deduct: gain on sales of real estate and partnership interest	(0.58)	—
Adjustment for non-controlling interests	—	—
Funds from operations	0.97	0.99
Adjustment for: straight-line rent accruals	—	—
Add: loss on extinguishment of debt	0.09	—
Add: our share of loss on extinguishment of debt from unconsolidated joint ventures	0.26	—
Add: amortization of restricted stock and RSU expense	0.16	0.10
Add: amortization of deferred mortgage and debt costs	0.02	0.02
Add: our share of amortization of deferred mortgage and debt costs from unconsolidated ventures	0.03	0.04
Deduct: our share of insurance recovery from unconsolidated joint ventures	(0.11)	—
Deduct: our share of gain on insurance proceeds from unconsolidated joint ventures	(0.09)	(0.03)
Adjustment for non-controlling interests	—	—
Adjusted funds from operations	$ 1.33	$ 1.12
Diluted shares outstanding for FFO and AFFO	17,936,465	17,115,697

FFO for 2021 increased $430,000, or 2.5%, to $17.4 million from $17.0 million in 2020 due primarily to improved operating margins at same store properties, the Consolidating Transactions (including the purchase of the interest in Civic Center I and II), reduced interest expense, insurance recoveries and gain on insurance proceeds. The increase was offset by the increase in debt prepayment charges, the sale of properties, the sale of properties by joint ventures and the sale of interests in joint ventures (collectively referred to as, the "2021 Sales"), the non-cash amortization of equity award expense and the inclusion, in 2020, of other income related to a loan receivable that was paid-off in September 2020.

FFO for 2021 decreased $ 0.02 per diluted share, or 2.0%, from $0.99 per diluted share to $0.97 per diluted share due primarily to issuances pursuant to our equity incentive and at-the-market equity offering programs.

AFFO for 2021 increased $4.6 million, or 23.9%, to $23.8 million from $19.2 million in 2020, primarily due to improved operating margins, the Consolidated Transactions (including the purchase of the interest in Civic Center I and II) and reduced interest expense offset by the 2021 Sales and the inclusion, in 2020, of other income from a loan receivable that was paid off in September 2020. Per share AFFO was impacted negatively by issuances pursuant to our equity incentive and at-the-market equity offering programs.

NOI is a non-GAAP measure of performance. NOI is used by our management and many investors to evaluate and compare the performance of our properties to other comparable properties, to determine trends at our properties and to determine the estimated fair value of our properties. The usefulness of NOI may be limited in that it does not take into account, among other things, general and administrative expense, interest expense, loss on extinguishment of debt, casualty losses, insurance recoveries and gains or losses as determined by GAAP. NOI is a property specific performance metric and does not measure our performance as a whole. Same store NOI reflects the operations of seven of our ten wholly-owned properties.

We compute NOI by adjusting net income (loss) to (a) add back (1) depreciation expense, (2) general and administrative expenses, (3) interest expense, (4) loss on extinguishment of debt, (5) equity in loss of unconsolidated joint ventures, (6) provision for taxes, (7) the impact of non-controlling interests, and (b) deduct (1) other income, (2) gain on sale of real estate, and (3) gain on insurance recoveries related to casualty loss. 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 income (loss). 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 net income attributable to common stockholders as computed in accordance with GAAP to NOI for the periods presented (dollars in thousands):

	For the year ended December 31, 2021	2020
GAAP Net income (loss) attributable to common stockholders	$ 29,114	$ (19,862)
Less: Other Income	(16)	(651)
Add: Interest expense	6,757	7,100
General and administrative	12,621	11,701
Depreciation	8,025	6,742
Impairment charge	520	3,642
Provision for taxes	206	248
Less: Gain on sale of real estate	(7,693)	—
Gain on the sale of partnership interests	(2,632)	—
Add: Loss on extinguishment of debt	1,575	—
Equity in loss of unconsolidated joint venture properties	4,208	6,024
Less: Equity in earnings from sale of unconsolidated joint venture properties	(34,982)	—
Add: Net income attributable to non-controlling interests	136	130
Net Operating Income	$ 17,839	$ 15,074
Less: Non same store and non multi family (1)		
Revenues	(7,125)	(4,316)
Operating Expenses	3,393	2,333
Same Store Net Operating Income	$ 14,107	$ 13,091

(1) Prior year amounts have been adjusted to reflect the current year composition to reflect only those properties that were same store for both the current and the prior year.

NOI increased in 2021 by $2.8 million, or 18.2%, to $ 17.9 million from $15.1 million in 2020, primarily due to $2.4 million from the Consolidating Transactions and a $1.0 million increase in Same Store NOI offset by a $678,000 decrease due to the sale of Kendall Manor. The Same Store NOI increase is due primarily to a $1.7 million increase in rental revenue from increased rental rates and, to a lesser extent, higher occupancy rates and higher ancillary income, offset by a $765,000 increase in operating expenses. See *" Results of Operations - Years Ended December 31, 2021 and 2020"*

Disclosure of Known Material Contractual Obligations

The following table sets forth as of December 31, 2021 our known material contractual obligations:

	Payment Due by Period				
(Dollars in thousands)	**Less than 1 Year**	**1 - 3 Years**	**3 - 5 Years**	**More than 5 Years**	**Total**
Long-Term Debt Obligations (1)	$ 68,729	$ 113,037	$ 221,695	$ 648,232	$ 1,051,693
Operating Lease Obligations	232	483	507	3,499	4,721
Purchase Obligations (2)(3)	7,227	14,454	14,454	—	36,135
Total	$ 76,188	$ 127,974	$ 236,656	$ 651,731	$ 1,092,549

(1) Reflects payments of principal (including amortization payments) and interest and excludes deferred costs. Includes all of the debt of unconsolidated joint ventures. See the following table for information regarding same. Assumes that the interest rate on the junior subordinated notes will be 2.13% per annum which was the rate in effect at December 31, 2021.

(2) Assumes that $922,000 will be paid annually for the next five years pursuant to the shared services agreement and $1.5 million will be paid annually through December 31, 2027 for the Services. See *"Item 1. Business—Our Structure."*

(3) Assumes that approximately$4.8 million of property management fees will be paid annually to the property managers of our multi-family properties, including $3.9 million related to unconsolidated joint ventures. Such sum reflects the amount we anticipate paying in 2022 on the multi-family properties we own at December 31, 2021. These fees are typically charges based on a percentage of rental revenues from a property. No amount has been reflected as payable pursuant thereto after five years as such amount is not determinable.

The following table sets forth as of December 31, 2021 information regarding the components of our long-term debt obligations:

(Dollars in thousands)	Payment due by Period Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years	Total
Mortgages on consolidated properties (1)	$ 38,273	$ 16,281	$ 29,551	$ 176,123	$ 260,228
Mortgages on unconsolidated properties (1)(2)	29,659	95,162	190,550	426,479	741,850
Junior subordinated notes (3)	797	1,594	1,594	45,630	49,615
Total	$ 68,729	$ 113,037	$ 221,695	$ 648,232	$ 1,051,693

(1) Includes payments of principal (including amortization payments), and interest and excludes deferred costs.
(2) Includes all of the debt of unconsolidated joint ventures, including Verandas at Shavano which was sold in February 2022.
(3) Assumes that the interest rate on the junior subordinated notes will be 2.13% per annum.

Liquidity and Capital Resources

We require funds to pay operating expenses and debt service obligations, acquire properties (including the acquisition of interest of our joint venture partners), make capital improvements, fund capital contributions, pay dividends and to the extent we deem appropriate, repurchase shares pursuant to our share buy back program . In 2021, our primary sources of capital and liquidity were the operations of our multi-family properties (including distributions of $15.3 million from the operations of our unconsolidated joint ventures and $46.7 million of distributions from sale transactions), $35.2 million from property sales (including sales of properties owned by consolidated entities and sales of interests in unconsolidated joint ventures), net mortgage proceeds of $21.5 from the refinancing of mortgage debt in connection with the purchase of the remaining interests of certain joint ventures, $9.6 million from the sale of our common stock through our at-the-market equity offering program, and our available cash (including restricted cash). Excluding funds held at our unconsolidated subsidiaries, at December 31, 2021 and February 28, 2022, our available liquidity was approximately $67.3 million and $75.7 million, respectively, including $32.3 million and $40.7 million, respectively, of cash and cash equivalents, and subject to compliance with borrowing base and other requirements, up to $35 million and $35 million, respectively, available under our credit facility.

After giving effect to the sale of Verandas at Shavano, we anticipate that for the three years beginning January 1, 2022, our operating expenses, $112.8 million of mortgage amortization and interest expense and $40.2 million of balloon payments (including $87.6 million and $10.8 million, respectively, from unconsolidated joint ventures) due with respect to mortgages maturing from 2022 to 2024, estimated cash dividend payments of at least $51.1 million (assuming (i) the current quarterly dividend rate of $0.23 per share and (ii) 18.5 million shares outstanding) and share repurchases, if any, pursuant to our share buy back program, will be funded from cash generated from operations (including distributions from unconsolidated joint ventures), mortgage financings and re-financings, sales of properties, the issuance of additional equity and, if available as noted below, our $35 million credit facility. Our operating cash flow and available cash is insufficient to fully fund the $64.7 million of balloon payments, and if we are unable to refinance such debt on acceptable terms, we may need to issue additional equity or dispose of properties, in each case on potentially unfavorable terms.

Capital improvements at (i) 13 multi-family properties will be funded by approximately $6.6 million of restricted cash available at December 31, 2021 and (ii) other properties will be funded from the operations of such properties.

Our ability to acquire additional multi-family properties (including our acquisitions of our partners' interests in properties owned by joint ventures) is limited by our available cash and our ability to (i) draw on our credit facility, (ii) obtain, on acceptable terms and mortgage debt from lenders, and (iii) raise capital from the sale of our common stock. Further, if and to the extent we generate ordinary taxable income, we will be required to make distributions to stockholders to maintain our REIT status and as a result, will be limited in our ability to use gains, if any, from property sales, as a source of funds for operating expenses, debt service and property acquisitions.

Corporate Level Financing Arrangements

Junior Subordinated Notes

As of December 31, 2021 $37.4 million (excluding deferred costs of $297,000) in principal amount of our junior subordinated notes is outstanding. These notes mature in April 2036, contain limited covenants (including covenants prohibiting us from paying dividends or repurchasing capital stock if there is an event of default (as defined therein) on these notes), are redeemable at our option and bear an interest rate, which resets and is payable quarterly, of three-month LIBOR plus 200 basis points. Although these notes provide for an alternate method of calculating interest when LIBOR becomes unavailable in June 2023, if not earlier, such alternative rate may not be available in which case we may have to negotiate a secondary alternative rate with the counterparties to such debt. If we and the counterparties to this debt are unable to agree to a satisfactory secondary alternate rate, our cash flow and operating results may be adversely efffected. At December 31, 2021 and 2020, the interest rate on these notes was 2.13% and 2.21%, respectively.

Credit Facility

Our credit facility with VNB New York, LLC, an affiliate of Valley National Bank (collectively, "VNB"), as amended and restated, allows us to borrow, subject to compliance with borrowing base requirements and other conditions, up to $35 million, (i) for the acquisition of, and investment in, multi-family properties, (ii) to repay mortgage debt secured by multi-family properties and (iii) for Operating Expenses (*i.e.*, working capital (including dividend payments) and operating expenses); provided, that not more than $15 million may be used for Operating Expenses. (The facility provides that it may be expanded to provide for up to $60 million of availability if another lender(s) is willing to provide an additional $25 million of availability). The credit facility is secured by cash accounts maintained by us at VNB (and we are required to maintain substantially all of our bank accounts at VNB), and the pledge of our interests in the entities that own the unencumbered multi-family properties used in calculating the borrowing base. The credit facility bears an annual interest rate, which resets daily, of 25 basis points over the prime rate, with a floor of 3.50%. There is an annual fee of 0.25% on the total amount committed by VNB and unused by us. The credit facility matures in November 2024. As of the date of this filing, no amounts are outstanding on the credit facility and $35 million was available to be borrowed thereunder.

The terms of the credit facility include certain restrictions and covenants which, among other things, limit the incurrence of liens, require that we maintain and include in the collateral securing the facility at least two unencumbered properties with an aggregate value(as calculated pursuant to the facility) of at least $50 million, and require compliance with financial ratios relating to, among other things, the minimum amount of debt service coverage with respect to the properties (and amounts drawn on the credit facility) used in calculating the borrowing base. Net proceeds received from the sale, financing or refinancing of wholly-owned properties are generally required to be used to repay amounts outstanding under the credit facility.

We are in compliance in all material respects with the requirements of the facility.

Other Financing Sources and Arrangements

At December 31, 2021, we are joint venture partners in unconsolidated joint ventures which own 23 multi-family properties. The distributions from the properties owned by these ventures, $62.0 million in 2021 (including $46.7 million from the sale of such properties) are a material source of our liquidity and cash flow. Further, we may be required to make significant capital contributions with respect to these properties. At December 31, 2021, our investment in these joint venture properties have a net equity carrying value of $112.3 million and are subject to mortgage debt, which is not reflected on our consolidated balance sheet, of $587.9 million. Although BRT Apartments Corp. is not the obligor with respect to such mortgage debt, the loss of any of these properties due to mortgage foreclosure or similar proceedings would have a material adverse effect on our results of operations and financial condition. These joint venture arrangements have been, and we anticipate that they will continue to be, material to our liquidity and capital resource position. See note 6 to our consolidated financial statements.

See Item 1. "*Business-Mortgage Debt*" for information regarding our mortgage debt at consolidated and unconsolidated subsidiaries.

Inflation

As the majority of our lease terms are for a period of one-year or less we are able to reset rental rates to market if renewed. Accordingly, due to the short-term nature of our leases, we do not believe our results will be materially adversely affected by inflation.

Inflation may also affect the overall cost of debt, as the implied cost of capital increases. Currently, interest rates are less than historical averages. However, the Federal Reserve, in response to or in anticipation of continued inflation concerns, could continue to raise interest rates. Other than with respect to our LIBOR Debt and debt incurred pursuant to our credit facility, we intend to mitigate these risks through long-term fixed interest rate loans and interest rate hedges.

Cash Distribution Policy

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. Accordingly, to qualify as a REIT, we must, among other things, meet a number of organizational and operational requirements, including a requirement that we distribute currently at least 90% of our ordinary taxable income to our stockholders. It is our current intention to comply with these requirements and maintain our REIT status. As a REIT, we generally will not be subject to corporate federal, state or local income taxes on taxable income we distribute currently (in accordance with the Internal Revenue Code and applicable regulations) to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal, state and local income taxes at regular corporate rates and may not be able to qualify as a REIT for four subsequent tax years. Even if we qualify for federal taxation as a REIT, we may be subject to certain state and local taxes on our income and to federal income taxes on our undistributed taxable income (*i.e.*, taxable income not distributed in the amounts and in the time frames prescribed by the Internal Revenue Code and applicable regulations thereunder) and are subject to Federal excise taxes on our undistributed taxable income.

It is our intention to pay to our stockholders within the time periods prescribed by the Internal Revenue Code no less than 90%, and, if possible, 100% of our annual taxable income, including taxable gains from the sale of real estate. It will continue to be our policy to make sufficient distributions to stockholders in order for us to maintain our REIT status under the Internal Revenue Code.

Our board of directors will continue to evaluate, on a quarterly basis, the amount of dividend payments based on its assessment of, among other things, our short and long-term cash and liquidity requirements, prospects, debt maturities, net income, funds from operations, and adjusted funds from operations.

Critical Accounting Estimates

Our significant accounting policies are more fully described in note 1 to our consolidated financial statements. The preparation of financial statements and related disclosure in conformity with accounting principles generally accepted in the United States requires management to make certain judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Certain of our accounting policies are particularly important to understand our financial position and results of operations and require the application of significant judgments and estimates by our management; as a result they are subject to a degree of uncertainty. These significant accounting policies include the following:

Equity method investments

We report our investments in unconsolidated entities, over whose operating and financial policies we have the ability to exercise significant influence but not control, under the equity method of accounting. Under this method of accounting, our pro rata share of the applicable entity's earnings or losses is included in our consolidated statements of operations. We initially record our investments based on either the carrying value for properties contributed or the cash invested.

We evaluate our equity-method investments for impairment whenever events or changes in circumstances indicate that the carrying value of our investments may exceed the fair value. If it is determined that a decline in the fair value of our investments is not temporary, and if such reduced fair value is below its carrying value, an impairment is recorded. Determining fair value involves significant judgment. Our estimates consider available evidence including the present value of the expected future cash flows discounted at market rates, general economic conditions and other relevant factors. In 2021, we recorded an impairment related to our equity investment in the OPOP Properties. This property was sold in November 2021.

Carrying Value of Real Estate Portfolio

We conduct a quarterly review of each real estate asset owned by us and through our joint ventures. This review is conducted in order to determine if indicators of impairment are present on the real estate.

In reviewing the value of the real estate assets owned, whether by us or our joint ventures, if there is an indicator of impairment and the carrying value of the real estate asset is determined to be unrecoverable, we seek to arrive at the fair value of each real estate asset by using one or more valuation techniques, such as comparable sales, discounted cash flow analysis or replacement cost analysis. A real estate asset is considered to be unrecoverable when an analysis suggests that the undiscounted cash flows to be generated by the property will be insufficient to recover our investment. Any impairment taken with respect to our real estate assets reduces our net income, assets and stockholders' equity to the extent of the amount of the allowance, but it will not affect our cash flow until such time as the property is sold.

Purchase Price Allocations

We allocate the purchase price of properties, including acquisition costs and assumed debt, when appropriate, to the tangible and identified intangible assets and liabilities acquired based on their relative fair values. In making estimates of fair values for purposes of allocating purchase price, we use a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property, our own analysis of recently acquired and existing comparable properties in our portfolio and other market data. We also consider information obtained about each property as a result of its pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Our junior subordinated notes bear interest at the rate of three-month LIBOR plus 200 basis points. A 100 basis point increase in the rate would result in an increase in interest expense in 2022 of $374,000 and a 100 basis point decrease in the rate would result in a $77,000 decrease in interest expense in 2022.

Item 8. Financial Statements and Supplementary Data.

The information required by this item appears in a separate section of this Report following Part IV.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

A review and evaluation was performed by our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Annual Report on Form 10-K. Based on that review and evaluation, our CEO and CFO have concluded that our disclosure controls and procedures, as designed and implemented as of December 31, 2021, were effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by a company's board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of a company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of a company are being made only in accordance with authorizations of management and the board of directors of a company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of a company's assets that could have a material effect on the financial transactions.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making this assessment, our management used criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013).

Based on its assessment, our management concluded that, as of December 31, 2021, our internal control over financial reporting was effective based on these criteria.

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal controls over financial reporting, as defined in in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act, that occurred during the three months ended December 31, 2021 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information.

Federal Income Tax Considerations

The discussion in Exhibit 99.1 filed herewith is incorporated herein by reference.

Adoption of 2022 Incentive Plan

In March 2022, our board of directors adopted, subject to stockholder approval, the 2022 Incentive Plan. This plan permits us to grant: (i) stock options, restricted stock, restricted stock units, performance share awards and any one or more of the foregoing, up to a maximum of 1,000,000 shares; and (ii) cash settled dividend equivalent rights in tandem with the grant of certain awards.

Correction of Information in Current Report on Form 8-K Furnished on, and Press Release issued on, March 14, 2022.

Due to an error, our press release issued March 14, 2022 (page 9 to exhibit 99.1 to our Current Report on Form 8-K furnished to the SEC on March 14, 2022(the "8-K")) and the supplemental financial information (page 5 to exhibit 99.2 to our 8-K) incorrectly reported the number of shares used in calculating in such documents per share FFO and AFFO for the quarter ended December 31, 2021. The incorrect number of shares is 17,317,596. The correct number of shares is 18,240,532 .This error did not impact the values reported in the 8-K (including the exhibits thereto) for per share FFO and AFFO as such reported values were correct. We do not hereby incorporate by reference into this Annual Report on Form 10-K any of the information included in our 8-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Apart from certain information concerning our executive officers which is set forth in Part I of this report, the other information required by Item 10 will be incorporated herein by reference to the applicable information to be in the proxy statement to be filed by May 2, 2022 for our 2022 Annual Meeting of Stockholders.

Item 11. Executive Compensation.

The information concerning our executive compensation required by Item 11 is incorporated herein by reference to the proxy statement to be filed by May 2, 2022 with respect to our 2022 Annual Meeting of Stockholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Except as set forth below, the information required by Item 12 is incorporated herein by reference to the proxy statement to be filed by May 2, 2022 with respect to our 2022 Annual Meeting of Stockholders.

Equity Compensation Plan Information

As of December 31, 2021, the only equity compensation plan under which equity compensation may be awarded is our 2020 Incentive Plan, which was approved by our stockholders in June 2020. This plan permits us to grant stock options, restricted stock, restricted stock units ("RSUs"), dividend equivalent rights and performance based awards to our employees, officers, directors, consultants and other eligible participants. The table below provides information as of December 31, 2021 with respect to our shares of common stock that may be issued upon exercise of outstanding options, warrants and rights. (See note 10 of our consolidated financial statements for further information about our equity compensation plans).

	Number of securities to be issued upon exercise (or vesting) of outstanding options, restricted stock units, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available-for future issuance under equity compensation plans —excluding securities reflected in column (a) (c)	
Equity compensation plans approved by security holders	210,375	(1)	—	473,101	(2)
Equity compensation plans not approved by security holders	—		—	—	
Total	210,375	(1)	—	473,101	(2)

(1) Represents shares of common stock underlying RSUs granted in 2021 pursuant to our 2020 Incentive Plan (the "2020 Plan"). The RSUs vest in 2024 subject to the satisfaction of market and performance based vesting conditions. There is no exercise price associated with such units. Excludes 316,524 shares of restricted stock issued pursuant to the 2020 plan as such shares, though subject to forfeiture, are outstanding.

(2) Gives effect to the 316,524 shares of restricted stock issued and outstanding pursuant to the 2020 Plan. Does not give effect to 158,973 shares of restricted stock granted January 13, 2022 pursuant to the 2020 Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information concerning relationships and certain transactions required by Item 13 is incorporated herein by reference to the proxy statement to be filed by May 2, 2022 with respect to our 2022 Annual Meeting of Stockholders.

Item 14. Principal Accounting Fees and Services.

The information concerning our principal accounting fees required by Item 14 is incorporated herein by reference to the proxy statement to be filed by May 2, 2022 with respect to our 2022 Annual Meeting of Stockholders.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a)

1. All Financial Statements.

The response is submitted in a separate section of this report following Part IV.

2. Financial Statement Schedules.

The response is submitted in a separate section of this report following Part IV.

3. Exhibits:

In reviewing the agreements included as exhibits to this Annual Report on Form10-K, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. Certain agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments. Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit No.		Title of Exhibits
1.1		Form of Equity Distribution Agreement (incorporated by reference to Exhibit 1.1 to our Current Report on Form 8-K on November 26, 2019).
1.2		Amendment No. 1 to Equity Distribution Agreements entered into as of March 31, 2021 among us, B. Riley Securities, Inc., JMP Securities LLC, and D.A. Davidson & Co. (incorporated by reference to exhibit 10.1 filed with our Quarterly Report on Form 10-Q for the period ended March 31, 2021).
2.1		Plan of Conversion dated December 8, 2016 (incorporated by reference to Annex B of Amendment No. 1 to our Registration Statement on Form S-4 filed January 12, 2017 (the "S-4 Registration") (Reg. No. 333-215221).
3.1		Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed March 20, 2017).
3.2		By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed March 20, 2017).
4.1		Junior Subordinated Supplemental Indenture, dated as of March 15, 2011, between us and the Bank of New York Mellon (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed March 18, 2011).
4.2		Description of Registrant's Securities Registered Pursuant to Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.2 to our Annual Report on Form 10-K for the year ended December 31, 2020).
10.1	*	Shared Services Agreement, dated as of January 1, 2002, by and among Gould Investors L.P., us, One Liberty Properties, Inc., Majestic Property Management Corp., Majestic Property Affiliates, Inc. and REIT Management Corp. (incorporated by reference to Exhibit 10.2 to our Form 10-K filed December 11, 2008).
10.2	*	Form of Indemnification Agreement between the Registrant on the one hand, and its executive officers and directors, on the other hand (incorporated by reference to Exhibit 10.5 to our Annual Report of Form 10-K filed December 14, 2017).
10.3	*	Amended and Restated 2016 Incentive Plan (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the period ended March 31, 2016)
10.4		Membership Interest Purchase Agreement dated as of February 23, 2016 entered into between TRB Newark Assemblage, LLC ("TRB") and TRB Newark TRS, LLC ("TRB REIT" and together with TRB, collectively, the "Seller") and RBH Partners III, LLC, and joined by RBH-TRB Newark Holdings, LLC and GS-RBH Newark Holdings, LLC (incorporated by reference to exhibit 10.2 to our Quarterly Report on Form 10-Q for the period ended March 31, 2016).
10.5	*	Form of Restricted Shares Agreement for the Amended and Restated 2016 Incentive Plan (incorporated by reference to Exhibit 10.40 to our Registration Statement on Form S-4/A filed with the SEC on January 12, 2017 (File No 333-215221)).
10.6	*	2018 Incentive Plan (incorporated by reference to exhibit 10.1 to our Current Report on Form 8-K filed on March 13, 2018).

Exhibit No.		Title of Exhibits
10.7	*	Form of Restricted Shares Agreement for the 2018 Incentive Plan (incorporated by reference Exhibit 10.10 to our Annual Report on Form 10-K filed December 10, 2018).
10.8		2020 Incentive Plan (incorporated by reference to Exhibit 10.15 filed with our Annual Report on Form 10-K for the year ended December 31, 2020).
10.9	*	Form of Performance Awards Agreement granted in 2021 pursuant to the 2020 Incentive Plan (incorporated by reference to exhibit 10.1 of our Current Report on Form 8-K filed on June 11, 2021)
10.10		Amended and Restated Loan Agreement (the "Loan Agreement") made as of November 18, 2021, by and among us and VNB New York, LLC. (incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K on November 18, 2021).
10.11		Unlimited guaranty given by us in favor of VNB (incorporated by reference to Exhibit 10.2 filed with our Current Report on Form 8-K on November 18, 2021).
10.12		Form of Pledge Agreement (incorporated by reference to Exhibit 10.3 filed with our Current Report on Form 8-K on November 18, 2021).
10.13		Form of Negative Pledge Agreement (incorporated by reference to Exhibit 10.4 filed with our Current Report on Form 8-K on November 18, 2021).
10.14		Letter agreement dated as of November 19, 2021 with respect to the Loan Agreement.
21.1		Subsidiaries of the Registrant.
23.1		Consent of Ernst & Young, LLP.
31.1		Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (the "Act").
31.2		Certification of Senior Vice President—Finance pursuant to Section 302 of the Act.
31.3		Certification of Chief Financial Officer pursuant to Section 302 of the Act.
32.1		Certification of Chief Executive Officer pursuant to Section 906 of the Act.
32.2		Certification of Senior Vice President—Finance pursuant to Section 906 of the Act.
32.3		Certification of Chief Financial Officer pursuant to Section 906 of the Act.
99.1		Federal Income Tax Considerations (incorporated by reference to Exhibit 99.3 filed with our Current Report on Form 8-K on March 11, 2021)
101.INS		The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

---

* Indicates management contract or compensatory plan or arrangement.

(b) Exhibits.

See Item 15(a)(3) above. Except as otherwise indicated with respect to a specific exhibit, the file number for all of the exhibits incorporated by reference is: 001-07172.

(c) Financial Statements.

See Item 15(a)(2) above.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRT APARTMENTS CORP.

Date March 15, 2022 By: /s/ JEFFREY A. GOULD

Jeffrey A. Gould
Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ISRAEL ROSENZWEIG Israel Rosenzweig	Chairman of the Board	March 15, 2022
/s/ JEFFREY A. GOULD Jeffrey A. Gould	Chief Executive Officer, President and Director (Principal Executive Officer)	March 15, 2022
/s/ CAROL CICERO Carol Cicero	Director	March 15, 2022
/s/ ALAN GINSBURG Alan Ginsburg	Director	March 15, 2022
/s/ FREDRIC H. GOULD Fredric H. Gould	Director	March 15, 2022
/s/ MATTHEW J. GOULD Matthew J. Gould	Director	March 15, 2022
/s/ LOUIS C. GRASSI Louis C. Grassi	Director	March 15, 2022
/s/ GARY HURAND Gary Hurand	Director	March 15, 2022
/s/ JEFFREY RUBIN Jeffrey Rubin	Director	March 15, 2022
/s/ JONATHAN SIMON Jonathan Simon	Director	March 15, 2022
/s/ ELIE WEISS Elie Weiss	Director	March 15, 2022
/s/ GEORGE E. ZWEIER George E. Zweier	Chief Financial Officer and Vice President (Principal Financial and Accounting Officer)	March 15, 2022

This page intentionally left blank

Item 8, Item 15(a)(1) and (2)

Index to Consolidated Financial Statements and Consolidated Financial Statement Schedules

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or the notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of BRT Apartments Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BRT Apartments Corp. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Joint Venture Consolidation Assessment

Description of the matter	The Company accounted for certain investments in real estate joint ventures under the equity method of accounting. At December 31, 2021, the Company's investments in unconsolidated joint ventures were $112.3 million. As discussed in Note 1 to the consolidated financial statements, for each venture the Company evaluated the rights provided to each party in the venture to assess the consolidation of the venture. Auditing management's joint venture consolidation analyses was complex and highly judgmental due to the subjectivity in assessing which activities most significantly impact the respective joint venture's economic performance based on the purpose and design of the entity over the duration of its expected life and assessing which party has rights to direct those activities.
How we addressed the matter in our audit	To test the Company's consolidation assessment for real estate joint ventures, our procedures included, among others, reviewing joint venture agreements and discussing with management the nature of the rights conveyed to the Company through the joint venture agreements. We reviewed management's assessment of the activities that would most significantly impact the joint venture's economic performance and evaluated whether the joint venture agreements provided participating or protective rights to the Company. We also evaluated transactions with the joint ventures for events which would require a reconsideration of previous consolidation conclusions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2020.

New York, New York

March 15, 2022

BRT APARTMENTS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except share data)

	December 31, 2021	December 31, 2020
ASSETS		
Real estate properties, net of accumulated depreciation of $36,467 and $30,837	$ 293,550	$ 160,192
Investment in unconsolidated joint ventures	112,347	169,474
Cash and cash equivalents	32,339	19,885
Restricted cash	6,582	8,800
Other assets	10,341	7,390
Real estate property held for sale	4,379	—
Total Assets	$ 459,538	$ 365,741
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net of deferred costs of $980 and $563	$ 199,877	$ 130,434
Junior subordinated notes, net of deferred costs of $297 and $317	37,103	37,083
Accounts payable and accrued liabilities	19,607	20,536
Total Liabilities	256,587	188,053
Commitments and contingencies		
Equity:		
BRT Apartments Corp. stockholders' equity:		
Preferred shares $0.01 par value 2,000 shares authorized, none outstanding	—	—
Common stock, $0.01 par value, 300,000 shares authorized,		
17,349 and 16,432 shares issued at December 31, 2021 and 2020	173	164
Additional paid-in capital	258,161	245,605
Accumulated other comprehensive income	—	(19)
Accumulated deficit	(55,378)	(67,978)
Total BRT Apartments Corp. stockholders' equity	202,956	177,772
Non-controlling interests	(5)	(84)
Total Equity	202,951	177,688
Total Liabilities and Equity	$ 459,538	$ 365,741

See accompanying notes to consolidated financial statements.

BRT APARTMENTS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except share data)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenues:		
Rental and other revenue from real estate properties	$ 32,041	$ 27,451
Other income	16	651
Total revenues	32,057	28,102
Expenses:		
Real estate operating expenses—including $31 and $32 to related parties	14,202	12,377
Interest expense	6,757	7,100
General and administrative—including $641 and $761 to related party	12,621	11,701
Impairment charge	520	3,642
Depreciation and amortization	8,025	6,742
Total expenses	42,125	41,562
Total revenues less total expenses	(10,068)	(13,460)
Equity in loss from unconsolidated joint ventures	(4,208)	(6,024)
Equity in earnings from sale of unconsolidated joint venture properties	34,982	—
Gain on sale of real estate	7,693	—
Gain on sale of partnership interest	2,632	—
Loss on extinguishment of debt	(1,575)	—
Income (loss) from continuing operations	29,456	(19,484)
Provision for taxes	206	248
Income (loss) from continuing operations, net of taxes	29,250	(19,732)
(Income) attributable to non-controlling interests	(136)	(130)
Net income (loss) attributable to common stockholders	$ 29,114	$ (19,862)
Weighted average number of shares of common stock outstanding:		
Basic	17,017,690	17,115,697
Diluted	17,084,642	17,115,697
Per share amounts attributable to common stockholders		
Basic	$ 1.63	$ (1.16)
Diluted	$ 1.62	$ (1.16)

See accompanying notes to consolidated financial statements.

BRT REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands)

	Year Ended December 31,	
	2021	**2020**
Net income (loss)	$ 29,250	$ (19,732)
Other comprehensive income (loss):		
Unrealized gain (loss) on derivative instruments	22	(12)
Other comprehensive income (loss)	22	(12)
Comprehensive income (loss)	29,272	(19,744)
Comprehensive (income) attributable to non-controlling interests	(140)	(128)
Comprehensive income (loss) attributable to common stockholders	$ 29,132	$ (19,872)

See accompanying notes to consolidated financial statements.

BRT APARTMENTS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2021 and 2020

(Dollars in thousands, except share data)

	Shares of Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	(Accumulated Deficit)	Non-Controlling Interests	Total
Balances, December 31, 2019	$ 156	$ 232,331	$ (10)	$ (32,824)	$ (93)	$ 199,560
Distributions - Common Stock - $0.88 per share	—	—	—	(15,292)	—	(15,292)
Restricted stock vesting	1	(1)	—	—	—	—
Compensation expense—restricted stock and restricted stock units	—	1,821	—	—	—	1,821
Distributions to non-controlling interests	—	—	—	—	(118)	(118)
Shares issued through equity offering program, net	7	12,070	—	—	—	12,077
Shares repurchased	—	(616)	—	—	—	(616)
Net (loss) income	—	—	—	(19,862)	130	(19,732)
Other comprehensive loss	—	—	(9)	—	(3)	(12)
Comprehensive loss	—	—	—	—	—	(19,744)
Balances, December 31, 2020	$ 164	$ 245,605	$ (19)	$ (67,978)	$ (84)	$ 177,688
Distributions - Common Stock - $0.90 per share	—	—	—	(16,514)	—	(16,514)
Restricted stock and restricted stock units vesting	4	(4)	—	—	—	—
Compensation expense—restricted stock and restricted stock units	—	2,941	—	—	—	2,941
Distributions to non-controlling interests	—	—	—	—	(60)	(60)
Shares issued through equity offering program, net	5	9,619	—	—	—	9,624
Net income	—	—	—	29,114	136	29,250
Other comprehensive income	—	—	19	—	3	22
Comprehensive income	—	—	—	—	—	29,272
Balances, December 31, 2021	$ 173	$ 258,161	$ —	$ (55,378)	$ (5)	$ 202,951

See accompanying notes to consolidated financial statements

BRT APARTMENTS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Thousands)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash flows from operating activities:		
Net Income (loss)	$ 29,250	$ (19,732)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	8,025	6,742
Amortization of deferred financing fees	295	280
Amortization of debt fair value adjustment	(60)	—
Amortization of restricted stock and restricted stock units	2,941	1,821
Equity in loss of unconsolidated joint ventures	4,208	6,024
Equity in earnings on sale of real estate of unconsolidated ventures	(34,982)	—
Impairment charge	520	3,642
Gain on sale of real estate	(7,693)	—
Gain on sale of partnership interest	(2,632)	—
Loss on extinguishment of debt	1,575	—
Increases and decreases from changes in other assets and liabilities:		
Decrease (increase) in other assets	2,203	(108)
Decrease in accounts payable and accrued liabilities	(4,179)	(424)
Net cash used in operating activities	(529)	(1,755)
Cash flows from investing activities:		
Collections from real estate loans	—	150
Proceeds from the sale of mortgage loan	—	4,000
Improvements to real estate owned	(1,308)	(887)
Purchase and consolidation of joint venture properties	(111,956)	—
Proceeds from the sale of real estate owned	24,632	—
Proceeds from the sale of joint venture interests	10,540	—
Distributions from unconsolidated joint ventures	62,025	15,273
Contributions to unconsolidated joint ventures	(6,031)	(13,700)
Net cash provided by investing activities	(22,098)	4,836
Cash flows from financing activities:		
Proceeds from mortgages payable	89,680	—
Mortgage payoffs	(47,605)	—
Mortgage principal payments	(2,688)	(3,041)
Proceeds from credit facility	—	5,000
Repayment of credit facility	—	(5,000)
Increase in deferred financing costs	(319)	—

BRT APARTMENTS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Thousands)

	Year Ended December 31,	
	2021	**2020**
Dividends paid	(15,769)	(15,116)
Distributions to non-controlling interests	(60)	(118)
Proceeds from the sale of common stock	9,624	12,077
Repurchase of shares of common stock	—	(616)
Net cash used in financing activities	32,863	(6,814)
Net increase (decrease) in cash, cash equivalents and restricted cash:	10,236	(3,733)
Cash, cash equivalents and restricted cash at beginning of year	28,685	32,418
Cash, cash equivalents and restricted cash at end of year	$ 38,921	$ 28,685
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest expense	$ 6,523	$ 6,886
Cash paid during the year for income and excise taxes	$ 173	$ 291
Consolidation on buyout of partnership interest:		
Increase in real estate assets	$ 160,583	
Increase in other assets	5,671	
Increase in mortgage payable	(29,067)	
Increase in deferred loan costs	748	
Increase in accounts payable and accrued liabilities	(2,621)	
Decrease in investment in unconsolidated joint ventures	(23,358)	
	$ 111,956	

See accompanying notes to consolidated financial statements.

NOTE 1—ORGANIZATION, BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Background

BRT Apartments Corp. (“BRT” or the “Company”) owns, operates and, to a lesser extent, develops multi-family properties. These multi-family properties may be wholly owned by us or by unconsolidated joint ventures in which the Company contributes a significant portion of the equity. At December 31, 2021, BRT: (i) wholly-owns ten multi-family properties located in seven states with an aggregate of 2,576 units and a carrying value of $291,538,000; and (ii) has ownership interests, through unconsolidated entities, in 23 multi-family properties located in eight states with an aggregate of 6,697 units, and the carrying value of its net equity investment is $112,347,000. In total, the Company has multi-family properties in 11 states, most of which are located in the Southeast United States and Texas.

The Company also owns and operates various other real estate assets. At December 31, 2021, the carrying value of the other real estate assets was $6,400,000.

BRT conducts its operations to qualify as a real estate investment trust, or REIT, for Federal income tax purposes.

Substantially all of the Company's assets are comprised of multi-family real estate assets generally leased to tenants on a one-year basis. Therefore, the Company aggregates real estate assets for reporting purposes and operates in one reportable segment.

Principles of Consolidation

The consolidated financial statements include the accounts and operations of the Company and its wholly owned subsidiaries.

The joint venture that owns a property in Yonkers, New York was determined not to be a variable interest entity ("VIE") but is consolidated because the Company has controlling rights in such entity.

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. For each venture, the Company evaluated the rights provided to each party in the venture to assess the consolidation of the venture. All investments in unconsolidated joint ventures have sufficient equity at risk to permit the entity to finance its activities without additional subordinated financial support and, as a group, the holders of the equity at risk have power through voting rights to direct the activities of these ventures. As a result, none of these joint ventures are VIEs. Additionally, the Company does not exercise substantial operating control over these entities, and therefore the entities are not consolidated. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for their share of equity in earnings, cash contributions and distributions. The distributions to each joint venture partner are determined pursuant to the applicable operating agreement and may not be pro-rata to the percentage equity interest each partner has in the applicable venture.

Income Tax Status

The Company qualifies as a real estate investment trust under sections 856-860 of the Internal Revenue Code of 1986, as amended. The board of directors may, at its option, elect to revoke or terminate the Company's election to qualify as a real estate investment trust.

The Company will not be subject to federal, and generally state and local taxes on amounts it distributes to stockholders, provided it distributes 90% of its ordinary taxable income and meets other conditions. The Company currently has net operating loss carryforwards which it can use to reduce taxable income.

NOTE 1—ORGANIZATION, BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with Accounting Standards Codification ("ASC") Topic 740 - "Income Taxes", the Company believes that it has appropriate support for the income tax positions taken and, as such, does not have any uncertain tax positions that, if successfully challenged, could result in a material impact on the Company's financial position or results of operations. The Company's income tax returns for the previous six years are subject to review by the Internal Revenue Service.

Revenue Recognition

Rental revenue from multi-family properties is recorded when due from residents and is recognized monthly as it is earned. Rental payments are due in advance. Leases on residential properties are generally for terms that do not exceed one year.

Rental revenue from commercial properties, including the base rent that each tenant is required to pay in accordance with the terms of their respective leases, net of any rent concessions and lease incentives, is reported on a straight-line basis over the non-cancellable term of the lease.

Real Estate Properties

Real estate properties are stated at cost, net of accumulated depreciation, and include properties acquired through acquisition, development or foreclosure.

The Company assesses the fair value of real estate acquired (including land, buildings and improvements, and identified intangibles such as acquired in-place leases) and acquired liabilities and allocates the acquisition price, including transaction costs, based on these assessments. Depreciation for multi-family properties is computed on a straight-line basis over an estimated useful life of 30 years. Intangible assets (and liabilities) are amortized over the remaining life of the related leases at the time of acquisition and is usually less than one year. Expenditures for maintenance and repairs are charged to operations as incurred.

Real estate is classified as held for sale when management has determined that the applicable criteria have been met. Real estate assets that are expected to be disposed of are valued at the lower of their carrying amount or their fair value less costs to sell on an individual asset basis. Real estate classified as held for sale is not depreciated.

The Company accounts for the sale of real estate when title passes to the buyer, sufficient equity payments have been received, there is no continuing involvement by the Company and there is reasonable assurance that the remaining receivable, if any, will be collected.

Asset Impairments

The Company reviews each real estate asset owned to determine if there are indicators of impairment. If such indicators are present, the Company determines whether the carrying amount of the asset can be recovered. Recognition of impairment is required if the undiscounted cash flows estimated to be generated by the asset are less than the asset's carrying amount and that carrying amount exceeds the estimated fair value of the asset. The estimated fair value is determined using a discounted cash flow model of the expected future cash flows through the useful life of the property. The analysis includes an estimate of the future cash flows that are expected to result from the real estate investment's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends, the effects of leasing demands, and other factors. In evaluating a property for impairment, various factors are considered, including estimated current and expected operating cash flow from the property during the projected holding period, costs necessary to extend the life or improve the asset, expected capitalization rates, projected stabilized net operating income, selling costs, and the ability to hold and dispose of such real estate in the ordinary course of business. Valuation adjustments may be necessary in the event that effective interest rates, rent-up periods, future economic conditions, and other relevant factors vary significantly from those assumed in valuing the property. If future evaluations result in a decrease in the value of the property below its carrying value, the reduction will be recognized as an impairment charge. The fair values related to the impaired real estate assets are considered to be a level 3 valuation within the fair value hierarchy.

For investment in real estate ventures, if indicators of impairment are present, the Company determines if the fair value of the investment is less than its carrying value. Fair value is determined using a discounted cash flow model of the expected future cash flows through the useful life of the asset. The fair values related to the impaired investments in real estate ventures are considered to be a level 3 valuation within the fair value hierarchy.

NOTE 1—ORGANIZATION, BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Based Compensation

Compensation expense for grants of restricted stock, restricted stock units ("RSUs") and dividend equivalent rights are amortized over the vesting period of such awards, based upon the estimated fair value of such award at the grant date. The Company recognizes the effect of forfeitures when they occur and previously recognized compensation expense is reversed in the period the grant or unit is forfeited. The deferred compensation related to the RSUs to be recognized as expense is net of certain performance assumptions which are re-evaluated quarterly. For accounting purposes, the restricted shares and the RSUs are not included in the outstanding shares shown on the consolidated balance sheets until they vest; however, the restricted shares are included in the calculation of both basic and diluted earnings per share as they participate in the earnings of the Company.

Derivatives and Hedging Activities

The Company's objective in using derivative financial instruments is to manage interest rate risk related to variable rate debt. The Company does not use derivatives for trading or speculative purposes. The Company records all derivatives on its consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows are considered cash flow hedges. For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is reported in other comprehensive income (loss). Those amounts are reclassified to earnings in the same income statement line item that is used to present the earnings effect of the hedged item when the hedged item affects earnings. For derivatives not designated as cash flow hedges, changes in the fair value of the derivative are recognized directly in earnings in the period in which they occur.

Per Share Data

Basic earnings (loss) per share is determined by dividing net income (loss) applicable to holders of common stock for the applicable year by the weighted average number of shares of common stock outstanding during such year. Net income is also allocated to the unvested restricted stock outstanding during each period, as the restricted stock is entitled to receive dividends and is therefore considered a participating security. The RSU's are excluded from the basic earnings per share calculation, as they are not participating securities.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue shares of common stock were exercised or converted into shares of common stock or resulted in the issuance of shares of common stock that share in the earnings of the Company. Diluted earnings per share is determined by dividing net income applicable to common stockholders for the applicable period by the weighted average number of shares of common stock deemed to be outstanding during such period.

In calculating diluted earnings per share, the Company includes only those shares underlying the RSU's that it anticipates will vest based on management's current estimates. The Company excludes any shares underlying the RSU's from such calculation if their effect would have been anti-dilutive.

Cash Equivalents

Cash equivalents consist of highly liquid investments; primarily, direct United States treasury obligations with maturities of three months or less when purchased.

Restricted Cash

Restricted cash consists of cash held for construction costs and property improvements for specific joint venture properties as may be required by contractual arrangements.

NOTE 1—ORGANIZATION, BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Costs

Fees and costs incurred in connection with multi-family property financings are deferred and amortized over the term of the related debt obligations. Fees and costs paid related to the successful negotiation of commercial leases are deferred and amortized on a straight-line basis over the terms of the respective leases.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

New Pronouncements

In March 2020, the Financial Accounting Standard Board issued ASU 2020-04, Reference Rate Reform (Topic 848). ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, lease, derivatives and other contracts. This guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the first quarter of 2020, the Company has elected to apply hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

NOTE 2—REAL ESTATE PROPERTIES

Real estate properties, excluding a property held for sale in 2021 (see Note 7), consist of the following (dollars in thousands):

	December 31, 2021	December 31, 2020
Land	$ 38,822	$ 25,585
Building	281,841	154,854
Building improvements	9,354	10,590
Real estate properties	330,017	191,029
Accumulated depreciation	(36,467)	(30,837)
Total real estate properties, net	$ 293,550	$ 160,192

A summary of activity in real estate properties, net for the year ended December 31, 2021 follows (dollars in thousands):

	December 31, 2020 Balance	Property Acquisitions	Improvements	Depreciation	Asset Sale	Held for Sale	December 31, 2021 Balance
Multi-family	$ 153,604	$ 160,583	$ 1,308	$ (7,116)	$ (16,841)	$ —	$ 291,538
Land - Daytona, FL	4,379	—	—	—	—	(4,379)	—
Retail shopping center - Yonkers, NY/Other	2,209	—	—	(111)	(86)	—	2,012
Total real estate properties	$ 160,192	$ 160,583	$ 1,308	$ (7,227)	$ (16,927)	$ (4,379)	$ 293,550

NOTE 2—REAL ESTATE PROPERTIES (Continued)

The following summarizes, by state, information for the year ended December 31, 2021 regarding consolidated properties (dollars in thousands):

Location	Number of Properties	Number of Units	2021 Rental and Other Revenue from Real Estate Properties	% of 2021 Rental and Other Revenue from Real Estate Properties
Georgia	2	448	$ 6,723	21 %
Florida	1	276	4,594	14 %
South Carolina	2	474	4,402	14 %
Virginia	1	220	4,273	13 %
Texas (a)	1	192	3,895	12 %
Tennessee	2	702	3,413	11 %
Ohio	1	264	3,232	10 %
Other (b)	—	—	1,509	5 %
	10	2,576	$ 32,041	100 %

(a) Includes the revenues of Kendall Manor which was sold in May 2021.
(b) Represents non-multi-family revenues

Future minimum rentals to be received pursuant to non-cancellable operating leases with terms in excess of one year, from a commercial property owned by the Company at December 31, 2021, are as follows (dollars in thousands):

Year Ending December 31,	Amount
2022	$ 1,185
2023	1,252
2024	953
2025	648
2026	648
Thereafter	865
Total	$ 5,551

Leases at the Company's multi-family properties are generally for a term of one year or less and are not reflected in this table.

NOTE 3—ACQUISITIONS, DISPOSITIONS AND IMPAIRMENT CHARGES

Acquisitions of Interests in Joint Ventures

In 2021, the Company purchased all of its partners' interests in three joint ventures. The Company determined that in each acquisition the gross assets acquired are concentrated in a single identifiable asset. Therefore, the transaction does not meet the definition of a business and is accounted for as an asset acquisition. The Company assessed the fair value of the tangible assets of the property as of the acquisitions dates using an income approach utilizing market capitalization rate of 4.75% which is a Level 3 unobservable input in the fair value hierarchy. The following table summarizes these purchases (dollars in thousands):

NOTE 3—ACQUISITIONS, DISPOSITIONS AND IMPAIRMENT CHARGES

Location	Purchase Date	No. of Units	Interest Purchased	Purchase Price	Mortgage Debt Assumed/ Acquired
Bells Bluff, Nashville, TN	8/18/2021	402	42.0 %	$ 27,860	$ 52,000
Crestmont at Thornblade, Greenville, SC	10/1/2021	266	10.0 %	1,600	26,425
Crossings of Bellevue, Nashville, TN	12/1/2021	300	20.0 %	16,128	37,680
		968		$ 45,588	$ 116,105

The following table summarizes the purchase price allocation of the book values of those properties that are now wholly owned and is based on the proportionate share of the estimated fair value of the property on the acquisition date (dollars in thousands):

	Bells Bluff	Crestmont at Thornblade	Crossings of Bellevue	Total
Land	$ 6,172	$ 4,033	$ 9,679	$ 19,884
Building and Improvements	77,532	34,052	29,115	140,699
Total Land and building	$ 83,704	$ 38,085	$ 38,794	$ 160,583
Acquisition related lease intangibles	1,597	818	730	3,145
Total Assets	$ 85,301	$ 38,903	$ 39,524	$ 163,728
Acquisition related mortgage intangible	—	$ 2,641	—	$ 2,641

The unamortized balance of acquisition related lease intangibles, which is included in Other assets in the consolidated balance sheet, was $2,347,000 at December 31, 2021, and will be amortized within a one year period.

The unamortized balance of acquisition related mortgage intangible, which is included in mortgages payable in the consolidated balance sheet, was $2,582,000 at December 31, 2021 and will be amortized as follows (dollars in thousands):

Year Ending December 31,	Amount
2022	$ 365
2023	376
2024	386
2025	390
2026	395
Thereafter	670
Total	$ 2,582

NOTE 3—ACQUISITIONS, DISPOSITIONS AND IMPAIRMENT CHARGES (Continued)

Property Dispositions

The tables below provide information regarding the Company's disposition of real estate properties during the year ended December 31, 2021 (dollars in thousands):

Location	Sale Date	No. of Units	Sales Price	Gain on Sale
Kendall Manor - Houston, TX	5/26/2021	272	$ 24,500	$ 7,279
New York, NY (1)	8/20/2021	1	545	414
		273	$ 25,045	$ 7,693

(1) Reflects the sale of a cooperative apartment unit.

The Company did not dispose of any real estate properties during the year ended December 31, 2020.

Impairment Charges

The Company reviews each real estate asset owned, including those held through investments in unconsolidated joint ventures, for impairment when there is an event or a change in circumstances indicating that the carrying amount may not be recoverable.

The Company measures and records impairment charges, and reduces the carrying value of owned properties, when indicators of impairment are present and the expected undiscounted cash flows related to those properties are less than their carrying amounts. For its unconsolidated joint venture investments, the Company measures and records impairment losses, and reduces the carrying value of the equity investment when indicators of impairment are present and the expected discounted cash flows related to the investment is less than the carrying value.

In cases where the Company does not expect to recover its carrying value on properties held for use, the Company reduces its carrying value to fair value, and for properties held for sale, the Company reduces its carrying value to the fair value less costs to sell.

In the year ended December 31, 2021, the Company took an impairment charge of $520,000 related to its investment in OPOP Tower and OPOP Loft properties, St Louis, MO, as the carrying value exceeded the fair vale by that amount. The fair value is based upon the sale price at which the Company contracted to sell this joint venture interest. This investment was sold in 2021 and no further impairments were recorded.

In the year ended ended December 31, 2020, indicators of impairment were present on a 8.7 acre vacant land parcel located in South Daytona Beach, Florida. The Company had entered into a contract to sell this property at a sales price less than its carrying value and accordingly, the Company took an impairment charge related to this asset of $3,642,000, representing the excess of the carrying value over the fair value. This property was sold on February 2, 2022 and no further impairments were recorded.

NOTE 4—RESTRICTED CASH

Restricted cash represents funds for specific purposes and therefore are not generally available for general corporate purposes. As reflected on the consolidated balance sheets, restricted cash represents funds held by or on behalf of the Company specifically allocated for capital improvements at multi-family properties.

NOTE 5 - LEASES

Lessor Accounting

The Company owns one commercial rental property which is leased to two tenants under operating leases with current expirations ranging from 2024 to 2028, with options to extend or terminate the leases. Revenues from such leases are reported

NOTE 5 - LEASES (Continued)

as rental income, net, and are comprised of (i) lease components, which includes fixed lease payments and (ii) non-lease components which includes reimbursements of property level operating expenses. The Company does not separate non-lease components from the related lease components, as the timing and pattern of transfer are the same, and account for the combined component in accordance with ASC 842.

Due to the impact of the COVID-19 pandemic, concession agreements were entered into with the Company's two commercial tenants. In accordance with the FASB Staff Q&A, Topic 842 and 840 - Accounting for Lease Concessions Related to the Effects of COVID-19 Pandemic, a lessor may make an accounting policy election to (i) not evaluate whether such COVID-19 pandemic related rent-relief is a lease modification under ASC 842 and (ii) treat each tenant rent deferral or forgiveness as if it were contemplated as part of the existing lease contract. The Company elected to apply this accounting policy to the two lease agreements, based on the type of concessions provided to the tenants, where the revised cash flows are substantially the same or less than the original lease agreement. During the year ended December 31, 2020, the Company issued total abatements of $75,000 for the two tenants.

Lessee Accounting

The Company is a lessee under a ground lease in Yonkers, NY which is classified as an operating lease. The ground lease expires September 30, 2024 and provides for one 21-year renewal option. As of December 31, 2021, the remaining lease term, including the renewal option, is 23.8 years.

The Company is also a lessee under a corporate office lease in Great Neck, New York, which is classified as an operating lease. The lease expires on December 31, 2031 and provides a 5-year renewal option. As of December 31, 2021, the remaining lease term, including renewal options deemed exercised, is 15.0 years.

As of December 31, 2021, the Company's right-of-use ("ROU") assets and lease liabilities were $2,568,000 and $2,629,000, respectively and as of December 31, 2020, the Company's ROU assets and lease liabilities were $2,652,000 and $2,674,000, respectively. The ROU assets and lease liabilities are reported on the consolidated balance sheets in Other assets and Accounts payable and accrued liabilities, respectively.

The discount rate applied to measure each ROU asset and lease liability is based on the Company's incremental borrowing rate ("IBR"). The Company considers the general economic environment and its historical borrowing rate activity and factors in various financing and asset specific adjustments to ensure the IBR is appropriate to the intended use of the underlying lease. As the Company did not elect to apply the hindsight practical expedient, lease term assumptions determined under ASC 840 were carried forward and applied in calculating the lease liabilities recorded under ASC 842. The Company's ground lease offers a renewal option which it assesses against relevant economic factors to determine whether it is reasonably certain of exercising or not exercising the option. Lease payments associated with renewal periods that the Company is reasonably certain will be exercised, if any, are included in the measurement of the corresponding lease liability and ROU asset.

As of December 31, 2021, the minimum future lease payments related to the operating ground and office leases are as follows (dollars in thousands):

Year Ending December 31,	Amount	
2022	$	232
2023		236
2024		243
2025		252
2026		257
Thereafter		3,502
Total undiscounted cash flows	$	4,722
Present value discount		(2,093)
Lease liability	$	2,629

NOTE 6—INVESTMENT IN UNCONSOLIDATED VENTURES

At December 31, 2021, the Company owns interests in unconsolidated joint ventures that own 23 multi-family properties (the "Unconsolidated Properties"). The condensed balance sheet below presents information regarding such properties (dollars in thousands):

	December 31, 2021	December 31, 2020
ASSETS		
Real estate properties, net of accumulated depreciation of $133,615 and $145,600	$ 734,247	$ 1,075,178
Cash and cash equivalents	13,741	16,939
Other Assets	25,535	29,392
Total Assets	$ 773,523	$ 1,121,509
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net of deferred costs of $3,423 and $5,537	$ 584,479	$ 829,646
Accounts payable and accrued liabilities	17,064	20,237
Total Liabilities	601,543	849,883
Commitments and contingencies		
Equity:		
Total unconsolidated joint venture equity	171,980	271,626
Total Liabilities and Equity	$ 773,523	$ 1,121,509
Company equity interest in all joint venture equity	$ 112,347	$ 169,474

NOTE 6—INVESTMENT IN UNCONSOLIDATED VENTURES (Continued)

The condensed income statement below presents information regarding the Unconsolidated Properties (dollars in thousands):

	Year Ended December 31,	
	2021	2020
Revenues:		
Rental and other revenue	$ 121,906	$ 127,058
Total revenues	121,906	127,058
Expenses:		
Real estate operating expenses	56,507	60,326
Interest expense	30,964	34,918
Depreciation	35,636	41,657
Total expenses	123,107	136,901
Total revenues less total expenses	(1,201)	(9,843)
Other equity earnings	54	117
Impairment of assets	(2,813)	—
Insurance recoveries	2,813	—
Gain on insurance recoveries	2,179	765
Gain on sale of real estate properties	83,984	—
Loss on extinguishment of debt	(9,401)	—
Net income (loss) from joint ventures	$ 75,615	$ (8,961)
BRT equity in loss and equity in earnings from sale of unconsolidated joint venture properties	$ 30,774	$ (6,024)

Acquisitions

In 2021, the Company did not make any acquisitions through unconsolidated joint ventures.

The table below provides information regarding the Company's property acquisition through an unconsolidated joint venture during the year ended December 31, 2020 (dollars in thousands):

Location	Purchase Date	No. of Units	Purchase Price	Acquisition Mortgage Debt	Initial BRT Equity	Ownership Percentage	Capitalized Property Acquisition Costs
Abbotts Run, Wilmington, NC	2/20/2020	264	$ 38,000	$ 23,160	$ 13,700	80 %	$ 459

On March 10, 2022 we acquired for $3,500,000 a 17.45% interest in a planned 240-unit development property located in Johns Island, SC.

NOTE 6—INVESTMENT IN UNCONSOLIDATED VENTURES (Continued)

Dispositions

The table below provides information regarding the disposition of real estate properties by an unconsolidated joint venture in the year ended December 31, 2021 (dollars in thousands):

Location	Sale Date	No. of Units	Sales Price	BRT's Share of Gain on Sale	Partner's Share of Gain on Sale	BRT Share of Loss of Extinguishment of Debt
Avenue Apts,Ocoee, FL	7/20/2021	522	$ 107,661	$ 19,518	$ 20,150	$ 4,474
Parc at 980, Lawrenceville, GA	7/28/2021	586	118,250	15,464	28,852	107
		1,108	$ 225,911	$ 34,982	$ 49,002	$ 4,581

There were no sales of properties by unconsolidated joint ventures in the year ended December 31, 2020.

On February 8, 2022, the unconsolidated joint venture in which we have a 65% equity interest sold The Veranda at Shavano, a 288-unit multi-family property in San Antonio, Texas, for a sales price of $53,800,000. We estimate that the gain on the sale of this property will be approximately $23,700,000 and that our share of the gain, which will be recognized in the first quarter of 2022, will be approximately $12,700,000. This property was secured by $25,100,000 of mortgage debt with 1.4 years years of remaining term to maturity and bearing an interest rate of 3.61% which was repaid in connection with the sale.

The table below provides information regarding the sale of venture interests to our joint venture partners in the year ended December 31, 2021:

Location	Sale Date	No. of Units	Sales Price	BRT's Share of Gain on Sale
Anatole, Daytona Beach, FL	4/20/2021	208	$ 7,540	$ 2,244
OPOP Tower and Lofts, St. Louis, MO	11/4/2021	181	3,000	388
		389	$ 10,540	$ 2,632

There were no sales of interest in joint ventures in the year ended December 31, 2020.

Joint Venture Buyouts

In 2021, the Company purchased its venture partners' remaining interests in three joint ventures that own three properties and increased its ownership interest in a fourth joint venture that owns two properties. The operations and accounts of the three joint ventures which, as a result of such purchases, are wholly-owned by the Company are consolidated into the operations and accounts of the Company as of their respective acquisition dates. The table below provides information regarding these four acquisitions (dollars in thousands):

Location	Buyout Date	No. of Units	Percentage of Interest Purchased	Purchase Price	New Ownership Percentage	Mortgage Balance at Acquisition
Civic Center I/II, Southaven, MS	5/4/2021	776	14.7 %	$ 6,031	74.7 %	N/A
Bells Bluff, West Nashville, TN	8/18/2021	402	41.9 %	27,860	100 %	$ 52,000
Crestmont at Thornblade, Greenville, SC	10/1/2021	266	10.0 %	1,600	100 %	26,425
Crossings of Bellevue, Nashville, TN	12/1/2021	300	20.0 %	16,128	100 %	37,680
		1,744		$ 51,619		$ 116,105

NOTE 7—REAL ESTATE PROPERTY HELD FOR SALE

In September 2020, the Company entered into a contract to sell a vacant parcel of land located in South Daytona Beach, FL for $4,700,000 with a net book value of $4,379,000. The buyer's right to terminate the contract expired on November 1, 2021. At December 31, 2021, the Company reclassified the net book value of the land as Real estate property held-for-sale in the accompanying balance sheet. The property was sold on February 2, 2022.

NOTE 8—DEBT OBLIGATIONS

Debt obligations consist of the following (dollars in thousands):

	December 31,	
	2021	2020
Mortgages payable	$ 200,857	$ 130,997
Junior subordinated notes	37,400	37,400
Deferred loan costs	(1,277)	(880)
Total debt obligations	$ 236,980	$ 167,517

A summary of activity in property debt for the year ended December 31, 2021 is as follows (dollars in thousands):

Balance at December 31, 2020	$ 130,434
Acquisitions	116,105
Fair value adjustment upon consolidation	2,582
Debt payoff in conjunction with property sales	(14,260)
Debt Payoff	(31,879)
Principal Amortization	(2,688)
Changes in Deferred Fees	(417)
Balance at December 31, 2021	$ 199,877

At December 31, 2021, $200,857,000 of mortgage debt with a weighted average interest rate of 3.78% and a weighted average term to maturity of 10.1 years is outstanding on eight of the Company's multi-family properties. Scheduled principal repayments for the next five years and thereafter are as follows (dollars in thousands):

Year Ending December 31,	Scheduled Principal Payments
2022	$ 31,355
2023	1,679
2024	2,095
2025	17,467
2026	1,904
Thereafter	146,357
	$ 200,857

NOTE 8—DEBT OBLIGATIONS (Continued)

The Company incurred the following mortgage debt in connection with the purchase of its venture partners' interests in the year ended December 31, 2021 (dollars in thousands):

Location	Acquisition Date	Mortgage balance at acquisition		Interest Rate	Maturity Date
Bells Bluff - West Nashville, TN	8/18/2021	$ 52,000		3.48 %	August 2041
Crestmont at Thornblade - Greenville, SC	10/1/2021	26,425	(a)	4.69 %	November 2028
Crossings - Nashville, TN	12/1/2021	37,680		3.11 %	December 2031
		$ 116,105			

(a) Debt assumed in connection with the purchase of the joint venture partner's remaining interest in the venture does not include purchase price allocation of $2,642 related to this debt.

The Company paid off the following debt in the year ended December 31, 2021 (dollars in thousands):

	Mortgage Payoff	Interest Rate	Maturity Date	Prepayment Charges
Avalon - supplemental	$ 2,903	4.92 %	3/1/2022	$ 29
Avondale Station	7,140	3.74 %	12/1/2022	376
Avondale Station - supp1emental	6,866	5.53 %	12/1/2022	277
Woodland Trails	14,025	4.36 %	2/1/2022	140
RIPCO	945	5.25 %	4/1/2022	—
Total debt paid	$ 31,879			$822

In connection with the pay off of the RIPCO debt, the Company terminated the interest rate swap associated with this debt.

The Company did not incur any debt in the year ended December 31, 2020.

Credit Facility

The Company entered into an amended and restated credit facility dated November 18, 2021 with an affiliate of Valley National Bank ("VNB"). The facility allows the Company to borrow, subject to compliance with borrowing base requirements and other conditions, up to $35,000,000 to facilitate the acquisition of multi-family properties, repay mortgage debt secured by multi family properties and for operating expense (*i.e.,* working capital (including dividend payments)); provided that no more than $15,000,000 may be used for operating expenses. The facility is secured by the cash available in certain cash accounts maintained by the Company at VNB and the Company's pledge of its interests in the entities that own the unencumbered properties used in calculating the borrowing base. The facility matures November 2024 and bears an adjustable interest rate of 25 basis points over the prime rate, with a floor of 3.50%. The interest rate in effect as of December 31, 2021 is 3.50%. There is an unused facility fee of 0.25% per annum on the total amount committed by VNB and unused by the Company. At December 31, 2021, the Company is in compliance in all material respects with its obligations under the facility.

At December 31, 2021 and 2020, there was no outstanding balance on the facility and $35,000,000 and $15,000,000, respectively, was available to be borrowed. Interest expense for the years ended December 31, 2021 and 2020, which includes amortization of deferred financing costs and unused fees, was $101,000 and $96,000, respectively. Deferred costs of $270,000 and $12,000 are recorded in other assets on the consolidated balance sheets at December 31, 2021 and 2020, respectively.

NOTE 8—DEBT OBLIGATIONS (Continued)

Junior Subordinated Notes

At December 31, 2021 and 2020, the outstanding principal balance of the Company's junior subordinated notes was $37,400,000 before deferred financing costs of $297,000 and $317,000, respectively. The interest rate on the outstanding balance resets quarterly and is based on three month LIBOR + 2.00%. The rate in effect at December 31, 2021 and 2020 was 2.13% and 2.21% respectively. The notes mature April 30, 2036.

The notes require interest only payments through the maturity date, at which time repayment of all outstanding principal and unpaid interest is due. Interest expense for the years ended December 31, 2021 and 2020, which includes amortization of deferred costs, was $845,000 and $1,119,000, respectively.

NOTE 9—INCOME TAXES

The Company elected to be taxed as a REIT pursuant to the Code. As a REIT, the Company is generally not subject to Federal income taxes at the corporate level if it distributes 100% of its REIT taxable income, as defined, to its stockholders. To maintain its REIT status, the Company must distribute at least 90% of its ordinary taxable income; however, if it does not distribute 100% of its taxable income, it will be taxed on undistributed income. There are a number of organizational and operational requirements the Company must meet to remain a REIT. If the Company fails to qualify as a REIT in any taxable year, its taxable income will be subject to Federal income tax at regular corporate tax rates and it may not be able to qualify as a REIT for four subsequent tax years. Even if it is qualified as a REIT, the Company is subject to certain state and local income taxes and to Federal income and excise taxes on undistributed taxable income. For income tax purposes, the Company reports on a calendar year basis. As of December 31, 2021, tax returns for the calendar years 2018 through 2020 remain subject to examination by the Internal Revenue Service and various state and local tax jurisdictions.

During the years ended December 31, 2021 and 2020, the Company recorded $206,000 and $248,000, respectively, of state franchise tax expense, net of refunds, relating to the 2021 and 2020 calendar years.

Earnings and profits, which determine the taxability of dividends to stockholders, differs from net income reported for financial statement purposes due to various items, including timing differences related to loan loss provisions, impairment charges, depreciation methods and carrying values.

At December 31, 2021, it is estimated the Company had a net operating loss carryforward of $26,500,000. These net operating losses may be available in future years to reduce taxable income when and if it is generated. These loss carryforwards no longer expire and are available to offset 100% of taxable income. Net operating losses generated in 2018 and thereafter will be available to offset 80% of taxable income.

NOTE 10—STOCKHOLDERS' EQUITY

Common Stock Dividend Distribution

During the years ended December 31, 2021 and 2020, the Company declared an aggregate of $0.90 and $0.88 per share in cash dividends, respectively.

Stock Based Compensation

In 2020, the Company's board of directors adopted and the stockholders' approved the 2020 Incentive Plan (the "2020 Plan"). This plan permits the Company to grant: (i) stock options, restricted stock, restricted stock units, performance shares awards and any one or more of the foregoing, up to a maximum of 1,000,000 shares; and (ii) cash settled dividend equivalent rights in tandem with the grant of restricted stock units and certain performance based awards.

Each of the Company's 2018 Incentive Plan (the "2018 Plan") and the Amended and Restated 2016 Incentive Plan (the "2016 Plan") authorized the Company to grant up to 600,000 shares of common stock pursuant to the same type of awards available under the 2020 Plan. No further awards may be granted pursuant to the 2018 Plan or the 2016 Plan, which are referred to collectively as the "Prior Plans."

NOTE 10—STOCKHOLDERS' EQUITY (Continued)

Restricted Stock Units

In March 2021, pursuant to the 2020 Plan, the Company issued restricted stock units (the "RSUs") to acquire up to 210,375 shares of common stock. The RSUs entitle the recipients, subject to continued service through March 31, 2024 (the "Performance Period"), to receive in the aggregate (i) up to 93,500 shares (the "TSR Award") of common stock based on achieving, during the Performance Period, specified levels in compounded annual growth rate ("CAGR") in total stockholder return ("TSR"), and (ii) up to 93,500 shares of common stock based on achieving, during the Performance Period, specified levels in CAGR in adjusted funds from operations (the "AFFO Award"), in each case as determined pursuant to the performance agreement. In addition, up to 23,375 shares (the "Adjustment Award") may be added to or subtracted from the TSR Award, based on attaining or failing to attain, as the case may be, during the Performance Period, of CAGR in TSR relative to the CAGR in TSR for the REITs that comprise, with specified exceptions, the FTSE NAREIT Equity Apartment Index. The recipients also receive dividend equivalent rights entitling them to receive cash dividends with respect to the shares of common stock underlying their RSUs as if the underlying shares were outstanding during the Performance Period, if, when, and to the extent, the related RSUs vest. The shares underlying the RSU's are not participating securities but are contingently issuable shares.

For the TSR Awards, a third party appraiser prepared a Monte Carlo simulation pricing model to assist management in determining fair value. In preparing its simulation, the appraiser assumed an estimated life of three years, a dividend rate of 4.93%, a risk free interest rate ranging from 0.02% to 0.34% and an expected price volatility ranging from 47.19% to 59.01%. For the AFFO Awards, fair value is based on the market value on the date of grant. Expense is not recognized on RSUs which the Company does not expect to vest because the performance conditions are not expected to be satisfied. Performance assumptions are re-evaluated quarterly. The total amount recorded at the grant date as deferred compensation with respect to the RSUs was $1,995,000.

In June 2016, the Company issued RSUs to acquire up to 450,000 shares shares of common stock, pursuant to the 2016 Plan. In 2021, it was determined that the market conditions with respect to 250,000 shares underlying RSU's issued under the 2016 Plan had been satisfied; such shares with an aggregate market value of $4,200,000 as of the measurement date, were issued and an aggregate of $775,000 of RSU dividend equivalents were paid. It was also determined that the performance conditions with respect to 200,000 shares underlying RSU's under the 2016 Plan had not been satisfied and accordingly, the 200,000 RSU's did not vest.

The Company recorded $620,000 and $140,000 of compensation expense related to the amortization of unearned compensation with respect to the RSUs in the year ended December 31, 2021 and 2020 respectively. At December 31, 2021 and 2020, $2,248,000 and $37,000 had been deferred as unearned compensation and is to be charged to expense over the balance of the applicable performance period.

Restricted Stock

In January 2021 and June 2021, the Company granted 156,774 shares and 160,000 shares, respectively, of restricted stock pursuant to the 2020 Plan. As of December 31, 2021, an aggregate of 922,619 shares of unvested restricted stock are outstanding pursuant to the Plan and the Prior Plans. The shares of restricted stock vest five years from the date of grant and under specified circumstances, including a change in control, may vest earlier. For financial statement purposes, the restricted stock is not included in the outstanding shares shown on the consolidated balance sheets until they vest, but are included in the basic and diluted earnings per share computation. During the years ended December 31, 2021 and 2020, the Company recorded $2,321,000 and $1,681,000, respectively, of compensation expense related to the amortization of unearned compensation with respect to the restricted stock awards. At December 31, 2021 and 2020, $7,332,000 and $4,411,000, respectively, has been deferred as unearned compensation and will be charged to expense over the remaining vesting periods of these restricted stock awards. The weighted average vesting period of these restricted shares is 2.8 years. Subsequent to December 31, 2021, the Company granted 158,973 shares of restricted stock pursuant to the 2020 Plan. Changes in the number of restricted shares outstanding under the Company's equity incentive plans are shown below:

NOTE 10—STOCKHOLDERS' EQUITY (Continued)

	Year Ended December 31,	
	2021	2020
Outstanding at beginning of the year	744,145	725,296
Issued	316,774	158,299
Cancelled	(950)	—
Vested	(137,350)	(139,450)
Outstanding at the end of the year	922,619	744,145

The following table reflects the compensation expense recorded for all incentive plans (dollars in thousands):

	Year Ended December 31,	
	2021	2020
Restricted stock grants	$ 2,321	$ 1,681
Restricted stock units	620	140
Total compensation	$ 2,941	$ 1,821

Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (dollars in thousands):

	Year Ended December 31,	
	2021	2020
Numerator for basic and diluted earnings per share:		
Net income (loss)	$ 29,250	$ (19,732)
Deduct (earnings) attributable to non-controlling interests	(136)	(130)
Deduct (earnings) loss allocated to unvested restricted stock	(1,412)	1,520
Net income (loss) available for common stockholders: basic and diluted	$ 27,702	$ (18,342)
Denominator for basic earnings per share:		
Weighted average number of common shares outstanding	17,017,690	17,115,697
Effect of dilutive securities:		
RSUs (1)	66,952	—
Denominator for diluted earnings per share:		
Weighted average number of shares	17,084,642	17,115,697
Earnings (loss) per common share, basic	$ 1.63	$ (1.16)
Earnings (loss) per common share, diluted	$ 1.62	$ (1.16)

(1) For the year ended December 31, 2020, excludes the shares underlying RSUs as their effect would have been anti-dilutive.

NOTE 10—STOCKHOLDERS' EQUITY (Continued)

Equity Distribution Agreements

The following table reflects the sale of shares pursuant to the equity distribution agreements entered into on November 26, 2019, as amended, with three sales agents in an at-the-market offering (dollars in thousands):

	Number of Shares Sold	Average Price	Gross Proceeds	Commissions and Fees	Net Proceeds	Dollar Value of Shares Sold
Aggregate amount available under agreement						$ 30,000
2019	111,963	$ 18.06	$ 2,022	$ 31	$ 1,991	(2,022)
2020	694,298	$ 17.71	12,293	185	$ 12,108	(12,293)
2021	529,126	$18.47	9,772	147	$ 9,625	(9,772)
	1,335,387		$ 24,087	$ 363	$ 23,724	
Remaining amount available under agreement:						$ 5,913

Subsequent to year end, the Company sold an additional 200,000 shares and received net proceeds of $2,173,000.

Stock Buyback

Effective as of October 1, 2019, the Board of Directors authorized the Company to purchase up to $5,000,000 of shares of common stock through September 30, 2021. During the year ended December 31, 2020, the Company repurchased 39,093 shares of common stock , at an average market price of $15.76 for an aggregate cost of $616,000. No other shares were repurchased under this authorization.

On September 13, 2021, the Board of Directors approved a stock purchase plan authorizing the Company, effective as of October 1, 2021, to repurchase up to $5,000,000 of shares of common stock through December 31, 2023. During the year ended December 31, 2021, the Company did not repurchase any shares of common stock.

NOTE 11—RELATED PARTY TRANSACTIONS

The Company has retained certain of its executive officers and Fredric H. Gould, a director, to provide, among other things, the following services: participating in the Company's multi-family property analysis and approval process (which includes service on an investment committee), providing investment advice, long term planning and consulting with executives and employees with respect to other business matters, as required. The aggregate fees paid in 2021 and 2020 for these services were $1,398,000 and $1,398,000, respectively.

Management of certain properties owned by the Company and certain joint venture properties is provided by Majestic Property Management Corp. ("Majestic Property"), a company wholly owned by Fredric H. Gould, under renewable year-to-year agreements. Certain of the Company's officers and directors are also officers and directors of Majestic Property. Majestic Property provides real property management, real estate brokerage and construction supervision services to these properties. For the years ended December 31, 2021 and 2020, fees for these services were $31,000 and $32,000, respectively.

Pursuant to a shared services agreement between the Company and several affiliated entities, including Gould Investors L.P., the owner and operator of a diversified portfolio of real estate and other assets and One Liberty Properties, Inc., a NYSE listed equity REIT, the (i) services of the part time personnel that perform certain executive, administrative, legal, accounting and clerical functions and (ii) certain facilities and other resources, are provided to the Company. The allocation of expenses for the facilities, personnel and other resources shared by, among others, the Company and Gould Investors, is computed in accordance with such agreement and is included in general and administrative expense on the consolidated statements of operations. During the years ended December 31, 2021 and 2020 allocated general and administrative expenses reimbursed by the Company to Gould Investors pursuant to the shared services agreement aggregated $641,000 and $761,000, respectively. Fredric H. Gould is executive officer and sole stockholder of Georgetown Partners, LLC, the managing general partner of Gould Investors L.P.("Gould Investors"). Mr. Gould is also the vice chairman of the board of directors of One Liberty

NOTE 11—RELATED PARTY TRANSACTIONS (Continued)

Properties and certain of the Company's officers and directors are also officers or directors of One Liberty Properties and Georgetown Partners. As of December 31, 2021 and 2020, $118,000 and $124,000, respectively, remains unpaid and is included in accounts payable and accrued liabilities on the consolidated balance sheets.

The Company obtains certain insurance in conjunction with Gould Investors and reimburses Gould Investors for the Company's share of the insurance cost. Insurance reimbursements to Gould Investors for the years ended December 31, 2021 and 2020 were $61,000 and $39,000, respectively.

NOTE 12—FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Instruments Not Measured at Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial instruments that are not reported at fair value on the consolidated balance sheets:

Cash and cash equivalents, restricted cash, accounts receivable (included in other assets), accounts payable and accrued liabilities: The carrying amounts reported on the balance sheets for these instruments approximate their fair value due to the short term nature of these accounts.

Junior subordinated notes: At December 31, 2021 and 2020, the estimated fair value of the Company's junior subordinated notes is less than their carrying value by approximately $8,296,000 and $8,670,000, respectively, based on market interest rates of 4.21% and 4.22%, respectively.

Mortgages payable: At December 31, 2021, the estimated fair value of the Company's mortgages payable is less than their carrying value by approximately $511,000, assuming market interest rates between 3.12% and 3.87%. At December 31, 2020, the estimated fair value was greater than the carrying value by $3,831,000, assuming market interest rates between 2.87% and 3.28%. Market interest rates were determined using current financing transaction information provided by third party institutions.

Considerable judgment is necessary to interpret market data and develop estimated fair value. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value assumptions. The fair values of debt obligations are considered to be Level 2 valuations within the fair value hierarchy.

Financial Instruments Measured at Fair Value

The Company's fair value measurements are based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, there is a fair value hierarchy that distinguishes between markets participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions. Level 1 assets/liabilities are valued based on quoted prices for identical instruments in active markets, Level 2 assets/liabilities are valued based on quoted prices in active markets for similar instruments, on quoted prices in less active or inactive markets, or on other "observable" market inputs and Level 3 assets/liabilities are valued based significantly on "unobservable" market inputs. The Company does not currently own any financial instruments that are classified as Level 3.

At December 31, 2021, the Company had no financial assets or liabilities measured at fair value.

Set forth below is information regarding the Company's financial liabilities measured at fair value as of December 31, 2020 (dollars in thousands):

	Carrying and Fair Value	Fair Value Measurements Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Liabilities:				
Interest rate swap	$ 23	—	$ 23	—

NOTE 12—FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Derivative financial instruments: Fair values are approximated using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, and implied volatilities. At December 31, 2020, this derivative is included in Accounts payable and accrued liabilities on the consolidated balance sheet.

Although the Company has determined that the majority of the inputs used to value its derivative fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with it utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparty. As of December 31, 2020, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative position and determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company determined that its derivative valuation is classified in Level 2 of the fair value hierarchy.

Long-lived assets

The Company measures its real estate investments at fair value on a nonrecurring basis. During the year ended December 31, 2021, the fair value of the real estate investment was determined using the following input levels (dollars in thousands):

		Fair Value Measurements Using Fair Value Hierarchy		
	Carrying and Fair Value	Level 1	Level 2	Level 3
Non-Financial Assets:				
Investment in unconsolidated joint venture	$ 3,000	$ —	$ 3,000	$ —

During the year ended December 31, 2020, the fair value of the real estate investment was determined using the following input levels (dollars in thousands):

		Fair Value Measurements Using Fair Value Hierarchy		
	Carrying and Fair Value	Level 1	Level 2	Level 3
Non-Financial Assets:				
Long-lived assets	$ 4,379	$ —	$ —	$ 4,379

The Company reviews its investments in real estate when events or circumstances change indicating the carry value of the investment may not be recoverable. In the evaluation of an investment for impairment, many factors are considered, including estimated current and expected cash flows from the asset during the projected hold period, costs necessary to extend the life of the asset, expected capitalization rates, and projected stabilized net operating income and the ability to hold or dispose of the asset in the ordinary course of business.

Quantitative information about Level 2 measurements is as follows:

	Fair Value	Valuation Technique	Significant Unobservable Inputs
Non-Financial Assets: Long-Lived assets:			
OPOP Tower and Lofts, St. Louis, MO	$ 3,000	Sales Contract	Sales Contract

NOTE 12—FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Quantitative information about Level 3 measurements is as follows:

	Fair Value	Valuation Technique	Significant Unobservable Inputs
Non-Financial Assets: Long-Lived assets:			
Vacant land - South Daytona Beach, FL	$ 4,379	Discounted cash flow	Non-binding sales contract /Discount rate 12.5%

NOTE 13—COMMITMENT AND CONTINGENCIES

The Company maintains a non-contributory defined contribution pension plan covering eligible employees and officers. Contributions by the Company are made through a money purchase plan, based upon a percent of qualified employees' total salary as defined therein. Pension expense approximated $423,000 and $386,000 during the years ended December 31, 2021 and 2020, respectively. At December 31, 2021 and 2020, $23,000 and $186,000, respectively, remains unpaid and is included in accounts payable and accrued liabilities on the consolidated balance sheets.

At December 31, 2021, the Company is the carve-out guarantor with respect to mortgage debt in principal amount of $189,290,000 at seven multi-family properties.

NOTE 14—DERIVATIVE FINANCIAL INSTRUMENTS

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in Accumulated Other Comprehensive Income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings.

As of December 31, 2021, the Company did not have any outstanding interest rate derivatives that was designated as a cash flow hedge of interest rate risk (dollars in thousands):

Non-designated Derivatives

Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the hedge accounting requirements. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. At December 31, 2020, the Company did not have any outstanding derivatives that were not designated as hedges in qualifying hedging relationships.

The table below presents the fair value of the Company's derivative financial instruments as well as its classification on the consolidated balance sheets as of the dates indicated (dollars in thousands):

Derivatives as of:			
December 31, 2021		December 31, 2020	
Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Other Assets	$ —	Other assets	$ —
Accounts payable and accrued liabilities	$ —	Accounts payable and accrued liabilities	$ 23

NOTE 14—DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The following table presents the effect of the Company's derivative financial instrument on the consolidated statements of comprehensive income (loss) for the years ended December 31, 2021 and 2020 and (dollars in thousands):

	Year Ended December 31,	
	2021	2020
Amount of loss recognized on derivative in Other Comprehensive Income	$ (1)	$ (27)
Amount of (loss) gain reclassified from Accumulated Other Comprehensive (loss) income into Interest Expense	$ (12)	$ (15)
Total amount of Interest expense presented in the Consolidated Statement of Operations	$ 6,757	$ 7,100

During the year ended December 31, 2021, the Company accelerated the reclassification of losses of $12,000 from other comprehensive income to earnings as a result of the hedged forecasted transaction becoming probable not to occur.

NOTE 15—QUARTERLY FINANCIAL DATA (Unaudited)

	2021				
	1st Quarter Jan - March	2nd Quarter April - June	3rd Quarter July - September	4th Quarter Oct - Dec	Total For Year
Revenues:					
Rental and other revenue	$ 7,095	$ 6,958	$ 7,709	$ 10,279	$ 32,041
Other income	4	3	5	4	16
Total revenues	7,099	6,961	7,714	10,283	32,057
Expenses:					
Real estate operating expenses	3,117	3,166	3,404	4,515	14,202
Interest expense	1,660	1,609	1,535	1,953	6,757
General and administrative	3,114	3,154	3,114	3,239	12,621
Impairment charge	—	520	—	—	520
Depreciation	1,537	1,416	1,787	3,285	8,025
Total expenses	9,428	9,865	9,840	12,992	42,125
Total revenues less total expenses	(2,329)	(2,904)	(2,126)	(2,709)	(10,068)
Equity in loss of unconsolidated joint ventures	(1,345)	(492)	(4,196)	1,825	(4,208)
Equity in earnings from sale of unconsolidated joint venture properties	—	—	34,982	—	34,982
Gain on sale of real estate	—	7,279	414	—	7,693
Gain on sale of partnership interest		2,244	—	388	2,632
Loss on extinguishment of debt	—	—	(902)	(673)	(1,575)
Loss from continuing operations	(3,674)	6,127	28,172	(1,169)	29,456
Provision for taxes	57	67	31	51	206
(Loss) income from continuing operations, net of taxes	(3,731)	6,060	28,141	(1,220)	29,250
(Income) attributable to non-controlling interests	(34)	(33)	(35)	(34)	(136)
Net (loss) income attributable to common stockholders	$ (3,765)	$ 6,027	$ 28,106	$ (1,254)	29,114
Basic and diluted and per share amounts attributable to common stockholders					
Basic (loss) income per share	$ (0.22)	$ 0.34	$ 1.55	$ (0.08)	$ 1.63
Diluted (loss) income per share	$ (0.22)	$ 0.34	$ 1.54	$ (0.08)	$ 1.62

NOTE 15—QUARTERLY FINANCIAL DATA (Unaudited) (Continued)

	2020				
	1st Quarter Jan - March	2nd Quarter April - June	3rd Quarter July - September	4th Quarter Oct - Dec	Total For Year
Revenues:					
Rental and other revenue	$ 6,745	$ 6,657	$ 7,020	$ 7,029	$ 27,451
Other income	179	159	293	20	651
Total revenues	6,924	6,816	7,313	7,049	28,102
Expenses:					
Real estate operating expenses	3,058	3,004	3,289	3,026	12,377
Interest expense	1,860	1,809	1,731	1,700	7,100
General and administrative	3,367	2,957	2,730	2,647	11,701
Impairment charge	—	—	3,642	—	3,642
Depreciation	1,561	1,809	1,777	1,595	6,742
Total expenses	9,846	9,579	13,169	8,968	41,562
Total revenues less total expenses	(2,922)	(2,763)	(5,856)	(1,919)	(13,460)
Equity in (loss) of unconsolidated joint ventures	(1,815)	(1,387)	(1,529)	(1,293)	(6,024)
Equity in earnings from sale of unconsolidated joint venture properties	—	—	—	—	—
Gain on sale of real estate	—	—	—	—	—
Loss on extinguishment of debt	—	—	—	—	—
Income (loss) from continuing operations	(4,737)	(4,150)	(7,385)	(3,212)	(19,484)
Provision for taxes	62	65	65	56	248
(Loss) income from continuing operations, net of taxes	(4,799)	(4,215)	(7,450)	(3,268)	(19,732)
Net (income) attributable to non-controlling interests	(32)	(31)	(34)	(33)	(130)
Net (loss) income attributable to common stockholders	$ (4,831)	$ (4,246)	$ (7,484)	$ (3,301)	(19,862)
Basic and diluted per share amounts attributable to common stockholders					
Basic loss per share	$ (0.29)	$ (0.25)	$ (0.44)	$ (0.19)	$ (1.16)
Diluted loss per share	$ (0.29)	$ (0.25)	$ (0.44)	$ (0.19)	$ (1.16)

NOTE 16—SUBSEQUENT EVENTS

Subsequent events have been evaluated and any significant events, relative to our consolidated financial statements as of December 31, 2021 that warrant additional disclosure have been included in the notes to the consolidated financial statements.

The Company is presented with the risks presented by the novel coronavirus or COVID-19, which has spread and may continue to spread, to markets in which it operates. The ultimate extent of the impact of the pandemic on the Company's business, financial condition, liquidity, results of operations and prospects will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, the severity of, and the actions taken to control, the pandemic, and the short-term and long-term economic impact thereof.

BRT APARTMENTS CORP. AND SUBSIDIARIES

SCHEDULE III—REAL ESTATE PROPERTIES AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2021

(Dollars in thousands)

		Initial Cost to Company		Costs Capitalized Subsequent to Acquisition			Gross Amount At Which Carried at December 31, 2021						
Description	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Improvements**	**Carrying Costs**	**Land**	**Buildings and Improvements**	**Total (a)**	**Accumulated Depreciation**	**Date of Construction**	**Date Acquired**	**Depreciation Life**
Commercial													
Yonkers, NY.	$ —	—	$ 4,000	—	$ 320	—	—	$ 4,320	$ 4,320	$ 2,309	(b)	Aug-2000	39 years
South Daytona, FL.	—	$ 10,437	—	$ 49	—	—	$ 4,379	—	4,379	—	N/A	Feb-2008	N/A
Multi-Family Residential													
North Charleston, SC	15,211	2,435	18,970	—	1,443	—	2,435	20,413	22,848	6,726	2010	Oct-2012	30 years
Decatur, GA	—	1,698	8,676	—	2,272	—	1,698	10,948	12,646	3,746	1954	Nov-2012	30 years
Columbus, OH	8,985	1,372	12,678	—	724	—	1,372	13,402	14,774	3,998	1999	Nov-2013	30 years
Pensacola, FL	14,558	2,758	25,192	—	1506	—	2,758	26,698	29,456	6,654	2008	Dec-2014	30 years
San Marcos, TX	16,560	2,303	17,605	—	114	—	2,303	17,719	20,022	1,748	2014	Oct-2019	30 years
LaGrange, GA	—	832	21,969	—	710	—	832	22,679	23,511	5,035	2009	Nov-15	30 years
Fredericksburg, VA	26,856	7,540	33,196	—	835	—	7,540	34,031	41,571	4,822	2005	Jul-18	30 years
Nashville, TN	52,000	6,172	77,532	—	190	—	6,172	77,722	83,894	1,009	2017	Sept -21	30 years
Greenville, SC	29,007	4,033	34,052	—	50	—	4,033	34,102	38,135	326	1998	Oct-21	30 years
Nashville, TN	37,680	9,679	29,114	—	47	—	9,679	29,161	38,840	94	1985	Dec-21	30 years
Total	$ 200,857	$ 49,259	$ 282,984	$ 49	$ 8,211	$ —	$ 43,201	$ 291,195	$ 334,396	$ 36,467			

BRT REALTY TRUST AND SUBSIDIARIES

SCHEDULE III—REAL ESTATE PROPERTIES AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2021

(Dollars in thousands)

Notes to the schedule:

(a)	Total real estate properties	$ 334,396
	Less: Accumulated depreciation	(36,467)
	Net real estate properties	$ 297,929
(b)	Information not readily obtainable.	

A reconciliation of real estate properties is as follows:

	2021	2020
Balance at beginning of year	$ 160,192	$ 169,689
Additions:		
Acquisitions	160,583	—
Capital improvements	1,308	887
	161,891	887
Deductions:		
Sales	16,927	—
Depreciation	7,227	6,742
Impairment Charge	—	3,642
	24,154	10,384
Balance at end of year	$ 297,929	$ 160,192

This page intentionally left blank

This page intentionally left blank

CORPORATE DIRECTORY

ISRAEL ROSENZWEIG
Chairman of the Board of Directors; Senior Vice President of Georgetown Partners LLC, the managing general partner of Gould Investors L.P., a real estate limited partnership; Senior Vice President of One Liberty Properties, Inc.

JEFFREY A. GOULD
Director, President and Chief Executive Officer; Senior Vice President of Georgetown Partners LLC; Senior Vice President and Director of One Liberty Properties, Inc.

MATTHEW J. GOULD
Director and Senior Vice President; Chairman of the Board and Chief Executive Officer of Georgetown Partners LLC; Chairman of the Board of Directors of One Liberty Properties, Inc.; Chief Executive Officer of Rainbow Realty Group; Director of Halsa Holdings, Inc.

DAVID W. KALISH
Senior Vice President–Finance; Senior Vice President and Chief Financial Officer of Georgetown Partners LLC; Senior Vice President and Chief Financial Officer of One Liberty Properties, Inc.

MARK H. LUNDY
Senior Vice President; President and Chief Operating Officer of Georgetown Partners LLC; Senior Vice President of One Liberty Properties, Inc.

GEORGE E. ZWEIER
Vice President and Chief Financial Officer

MITCHELL K. GOULD
Executive Vice President

ISAAC KALISH
Vice President and Treasurer; Vice President and Assistant Treasurer of Georgetown Partners LLC; Vice President and Assistant Treasurer of One Liberty Properties, Inc.

STEVEN ROSENZWEIG
Senior Vice President, Legal; Vice President of Georgetown Partners LLC

RYAN BALTIMORE
Chief Operating Officer

ALAN H. GINSBURG
Director; Chairman of The CED Companies and AHG Group of Companies

FREDRIC H. GOULD
Director; Vice Chairman of the Board of Directors of One Liberty Properties Inc.

LOUIS C. GRASSI
Director; Managing Partner, Grassi & Co., CPAs

GARY J. HURAND
Director; President of Management Diversified Inc.

JEFFREY RUBIN
Director; Chief Executive Officer and President of The JR Group; Chief Executive Officer of Summit Processing Group LLC

JONATHAN H. SIMON
Director; Chief Executive Officer of Simon Baron Development Group

ELIE WEISS
Director; Chief Executive Officer of Five Forty Investments

CAROL CICERO
Director

REGISTRAR AND TRANSFER
American Stock Transfer
and Trust Company
6201 15th Avenue
Brooklyn, New York 11219

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Ernst & Young, LLP
5 Times Square
New York, New York 10036

FORM 10-K AVAILABLE
A copy of the annual report (Form 10-K) filed with the Securities and Exchange Commission may be obtained without charge by writing to BRT Apartments Corp., 60 Cutter Mill Road, Suite 303, Great Neck, New York 11021, Attn: Secretary.

COMMON STOCK
The Company's common stock is listed on the New York Stock Exchange under the ticker symbol BRT.

WEB SITE ADDRESS
www.brtapartments.com

Annual Report Design by Curran & Connors, Inc. / www.curran-connors.com

60 Cutter Mill Road, Suite 303
Great Neck, New York 11021
(516) 466-3100
www.brtapartments.com

BRT APARTMENTS CORP.
60 Cutter Mill Road
Suite 303
Great Neck, New York 11021
(516) 466-3100

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
June 8, 2022

The annual meeting of stockholders of BRT Apartments Corp., a Maryland corporation (''we'', ''us'', ''our'', or the ''Company'') will be held at our offices, located at 60 Cutter Mill Road, Great Neck, NY on Wednesday, June 8, 2022, at 9:00 a.m., local time, to consider and vote on the following matters:

1. The election of (i) four Class II Directors, each to serve until the 2025 Annual Meeting of Stockholders and until his successor is duly elected and qualifies and (ii) one Class III Director to serve until the 2023 Annual Meeting of Stockholders and until her successor is duly elected and qualifies;

2. A proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2022;

3. A proposal to approve BRT Apartments Corp. 2022 Incentive Plan; and

4. Any other business properly brought before the meeting.

The Board of Directors recommends that you vote ''**FOR**'' the election of each of the nominees listed in the accompanying proxy statement and ''**FOR**'' proposals 2 and 3.

Holders of record of our common stock at the close of business on March 31, 2022 are entitled to notice of and to vote at the annual meeting and any adjournment or postponement thereof.

It is important that your shares be represented and voted at the meeting. To assure that your vote will be counted, please complete, date and sign the enclosed proxy card and return it in the enclosed prepaid envelope, whether or not you plan to attend the meeting. Most stockholders can also vote by telephone or via the internet. Telephone and internet voting information is provided on the accompanying proxy card. Your proxy may be revoked in the manner described in the accompanying proxy statement at any time before it has been voted at the meeting.

By order of the Board of Directors

S. Asher Gaffney

S. Asher Gaffney

Corporate Secretary

Great Neck, New York
April 21, 2022

TABLE OF CONTENTS

BRT APARTMENTS CORP.

PROXY STATEMENT

GENERAL

Our Board of Directors is furnishing you with this proxy statement to solicit proxies on its behalf to be voted at the 2022 annual meeting of stockholders of BRT Apartments Corp. The meeting will be at our offices, 60 Cutter Mill Road, Suite 303, Great Neck, New York, at 9:00 a.m., local time, on Wednesday, June 8, 2022. The proxies will be voted at the meeting and at any adjournments or postponements. All properly executed proxy cards, and all properly completed proxies submitted by telephone or by the internet, that are delivered pursuant to this solicitation, will be voted at the meeting in accordance with your directions, unless the proxy is properly revoked before the meeting.

In this proxy statement, we refer to BRT Apartments Corp. as ''BRT,'' ''we,'' ''our,'' ''us,'' ''our company,'' to our Board of Directors as the ''board of directors'' or ''board'', and to our shares of common stock as ''common stock'' or ''shares.'' Our telephone number is (516) 466-3100.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

What is the purpose of the annual meeting?

At our annual meeting, stockholders will consider and vote on the following matters:

- the election of (i) four Class II directors to hold office until the 2025 annual meeting and until their respective successors are duly elected and qualify and (ii) one Class III director to hold office until the 2023 annual meeting and until her successor is duly elected and qualifies;
- ratification of the appointment of Ernst &Young LLP, or E&Y, as our independent registered public accounting firm for the year ending December 31, 2022;
- a proposal to approve the BRT Apartments Corp. 2022 Incentive Plan, which we refer to as the ''Plan'' or the ''2022 Incentive Plan''; and
- such other matters as may properly come before the meeting.

How does the Board recommend I vote at the Annual Meeting?

Our Board recommends that you vote:

- **''FOR''** the election of each of the nominees listed in this proxy statement as a director (each, a ''nominee'' and collectively, the ''nominees'');
- **''FOR''** the proposal to ratify the appointment of E&Y as our independent registered public accounting firm for the year ending December 31, 2022; and
- **''FOR''** the approval of the BRT Apartments Corp. 2022 Incentive Plan.

The persons named as proxies will vote in their discretion or any other matter properly brought before the annual meeting.

Who is entitled to vote?

We are mailing this proxy statement on or about April 25, 2022 to holders of record of our common stock as of the close of business on March 31, 2022, which we refer to as the ''record date''. The record date was established by our board. Stockholders of record as of the close of business on the record date are entitled to notice of and to vote their shares at the meeting. At the close of business on the record date, there were 18,566,603 shares of common stock outstanding and entitled to vote. Each outstanding share of common stock entitles the holder to cast one vote on each matter considered at the meeting. Shares of our common stock constitute our only outstanding class of voting securities and will vote as a single class on all matters to be considered at the annual meeting.

What constitutes a quorum?

A quorum is the presence in person or by proxy of stockholders entitled to cast a majority of the votes entitled to be cast at the meeting on any matter. In order to carry on the business at the meeting, holders of a majority of our outstanding shares must be present in person or by proxy. This means that at least 9,283,302 shares of common stock must be present at the meeting, either in person or by proxy, to constitute a quorum. Generally, action cannot be taken at the meeting unless a quorum is present.

Abstentions and brokers non-votes, as described herein, will be considered present for the purpose of determining the presence of a quorum.

How do I vote?

If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Co., LLC, you are considered the stockholder of record with respect to those shares and the proxy card was sent directly to you by the transfer agent. In that case, you may instruct the proxy holders named in the proxy card how to vote your shares of common stock in one of the following ways:

- *Vote online*. You may vote www.voteproxy.com online at vote online, you must have your control number provided in the proxy card.
- *Vote by telephone*. You may vote by telephone by calling 1-800-PROXIES (1-800-776-9437). To vote by telephone, you must have the control number provided in your proxy card.
- *Vote by regular mail*. If you would like to vote by mail, please mark, sign and date your proxy card and return it promptly in the postage-paid envelope provided.
- *Vote by attending the meeting in person.*

Proxies submitted over the internet, by telephone or by mail must be received by 11:59 p.m. New York City time, on June 7, 2022. If you vote by telephone or via the internet, it is not necessary to return your proxy card.

If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization (collectively, an ''Agent''), then you are the beneficial owner of shares held in ''street name,'' and a voting instruction form was forwarded to you by your Agent. As a beneficial owner, you have the right to instruct your Agent on how to vote the shares held in your account. You should instruct your Agent how to vote your shares by following the voting instructions provided by the Agent. If you wish to vote in person at the annual meeting, you must obtain a legal proxy from your Agent.

How will my shares be voted?

If you are a stockholder of record as of the close of business on the record date and you do not mark any selections but return the signed proxy card, your shares will be voted by the proxies named on the proxy card ''**FOR**'' each of the nominees listed in this proxy statement. ''**FOR**'' the proposal to ratify the appointment of E&Y as our independent registered public accounting firm for the year ending December 31, 2022 and **"FOR"** the proposal to approve the 2022 Incentive Plan. If you are a stockholder of record as of the close of business on the record date and you return the signed proxy card, the proxy holders may vote in their discretion with respect to any other matters that properly come before the meeting. If any nominee named in this proxy statement is unwilling or unable to serve as a director, our board may nominate another individual for election as a director at the annual meeting, and the persons named as proxy holders will vote ''**FOR**'' the election of any substitute nominee.

If you are a stockholder of record as of the close of business on the record date and you wish to name as a proxy someone other than the proxies named on the proxy card, you may do so by crossing out the name of the designated proxies and inserting the name of another person. In that case, it will be necessary to sign the proxy card and deliver it to the person so named and for the person so named to be present at and vote at the meeting with the properly executed and marked proxy card. Proxy cards so marked should not be mailed to us or to American Stock Transfer and Trust Company, LLC.

If my shares are held in "street name" by my Agent, will the Agent vote my shares without specific instructions from me?

Not in most circumstances. In the absence of your voting instructions, your Agent may only vote your shares in its discretion on "routine matters" and your Agent may not vote your shares on proposals that are not "routine." We believe that the proposal to ratify the selection of E&Y is a routine matter on which your Agent can vote on your behalf if you do not furnish voting instructions. All of the other proposals may be considered non-routine matters so your Agent may not be entitled to vote your shares on these proposals without your instructions. A broker non-vote occurs when an Agent does not vote on a particular proposal because the Agent does not have discretionary voting power for that particular matter and has not received instructions from the beneficial owner. If you hold your shares in street name and do not give your Agent specific voting instructions on the election of directors, your shares will not be voted on those items, and a broker non-vote will occur. If your shares are held in "street name" by your Agent, you should follow the directions provided by your Agent in order to instruct them to how to vote your shares.

Is my vote important?

If you do not submit a proxy or vote in person at the annual meeting, it may be more difficult for us to obtain the necessary quorum to hold the annual meeting.

How many votes are needed to approve each of the proposals assuming that a quorum is present at the annual meeting?

The affirmative vote of a majority of the total votes cast "for" and "against" as to a nominee is required for the election of such nominee as director. Abstentions, if any, and broker non-votes, will not be counted as votes cast and will have no effect on the results of the election of any director.

The affirmative vote of a majority of all of the votes cast on the proposal is required to ratify the selection of E&Y and to approve the 2022 Incentive Plan. For purpose of such votes, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the results of the vote on either proposal. Agents are not prohibited from voting shares held in street name in their discretion on the proposal relating to the selection of E&Y, and we do not expect to receive any broker non-votes on this proposal.

Who will count the vote?

A representative of our transfer agent, American Stock Transfer and Trust Company, LLC, or another person designated by or at the direction of our board, will tabulate the votes and act as inspector of elections.

Can I revoke my proxy before it is exercised?

If you hold stock directly in your name, you can revoke your proxy at any time before it is voted at the annual meeting by filing a written revocation with our Office of the Corporate Secretary, or delivering to American Stock Transfer and Trust Company, LLC a properly executed proxy bearing a later date. You may also revoke your proxy with a timely and valid later telephone or Internet vote or by attending the meeting and voting in person. If not so revoked, the shares represented by such proxy will be voted.

If your shares are held in the name of an Agent, you must contact the Agent and comply with its procedures if you want to revoke or change the instructions that you previously provided to the Agent. Attendance at the meeting will not by itself automatically revoke a previously granted proxy.

Who is soliciting my vote and who pays the cost?

We are soliciting proxies and will pay the entire cost of soliciting proxies, including preparing and mailing this proxy statement. In addition to the solicitation of proxies by mail and through our and our affiliates full-time and part-time employees, we will request Agents and other stockholders of record to forward copies of the proxy statement and other soliciting materials to persons for whom they hold shares and to request instruction on how to vote the shares. We will reimburse such record holders for their reasonable out-of-pocket expenses in forwarding proxies and proxy materials to stockholders. We have retained DF King for a fee of $6,000 and the reimbursement of certain expenses, to aid in the solicitation of proxies from our stockholders. To the extent necessary in order to ensure sufficient representation at the meeting, we or our proxy solicitor may solicit the return of proxies by personal interview, mail, telephone, facsimile, Internet or other means of communication or electronic transmission. The extent to which this will be necessary depends upon how promptly proxies are returned. We urge you to send in your proxy without delay.

What is householding?

Stockholders who share the same address and last name may receive only one copy of the proxy materials unless we, in the case of stockholders of record, or such stockholder's broker, bank or nominee, in the case of stockholders whose shares are held in street name, receive contrary instructions. This practice, known as ''householding,'' is designed to reduce printing and mailing costs. Stockholders desiring to discontinue householding and receive a separate copy of the proxy materials, may (1) if their shares are held in street name, notify their broker, bank or nominee or (2) if they are stockholders of record, direct a written request to: BRT Apartments Corp., 60 Cutter Mill Road, Suite 303, Great Neck, NY 11021, Attn: Office of the Corporate Secretary.

When are stockholder proposals due for the 2023 annual meeting?

We expect that our 2023 annual meeting of stockholders will be held in June 2023.

Our bylaws require that we be given advance written notice of nominations for election to our board and other matters which stockholders wish to present for action at an annual meeting of stockholders (other than matters included in our proxy materials in accordance with Rule 14a-8(e) under the Securities Exchange Act of 1934, as amended (the ''Exchange Act''). The Office of the Corporate Secretary must receive such notice, as well as the information and other materials required by our bylaws, at our principal executive office not later than 5:00 PM, Eastern Time, on December 26, 2022 and no earlier than November 26, 2022 for matters or nominations to be properly presented at the 2023 annual meeting of our stockholders.

Stockholders who wish to have proposals considered for inclusion in the proxy statement and form of proxy for our 2023 annual meeting pursuant to Rule 14a-8 under the Exchange Act must cause their proposals to be received in writing by the Office of the Corporate Secretary at the address set forth on the cover page of this proxy statement no later than December 26, 2022. Any proposal should be addressed to the Office of the Corporate Secretary and may be included in next year's proxy materials for our 2023 annual meeting of stockholders only if such proposal complies with the rules and regulations promulgated by the Securities and Exchange Commission, which we refer to as the ''SEC.'' We are not required to include in our proxy statement or our proxy card relating to any annual meeting any stockholder proposal that does not meet all of the requirements for inclusion established by the SEC.

What other information about us is available?

Stockholders can call (516) 466-3100 or write to us at 60 Cutter Mill Road, Suite 303, Great Neck, NY 11021, Attention: Office of the Corporate Secretary, to request a copy of our Annual Report on Form 10-K. This and other important information about us is also available on our web site which is located at www.brtapartments.com. Our 2021 Annual Report to Stockholders accompanies this proxy statement.

GOVERNANCE OF OUR COMPANY

General

Our business, property and affairs are managed by or under the direction of our board and its committees. Directors are kept informed about our business through discussions with our chairman, our chief executive officer and our other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. During 2021, the board held five meetings, and each director attended at least 75% of the aggregate number of meetings of the board and all committees on which such director served during such periods. We typically schedule a board meeting in conjunction with our annual meeting of stockholders and encourage our directors to attend such meeting in person—due to the COVID-19 pandemic and the requirements for social distancing, 40% of our directors attended our 2021 annual meeting of stockholders in person.

Code of Business Conduct and Ethics

We have adopted an amended and restated code of business conduct and ethics, which we refer to as the ''Conduct Code'', that applies to all of our directors, officers and employees. The Conduct Code covers a variety of topics, including conflicts of interest, confidentiality of information, and compliance with laws and regulations. See ''*Additional Information and Notice of Internet Availability*'' to obtain access for or copies of our Conduct Code. During 2021, there were no waivers of the provisions of the Conduct Code with respect to any of the persons subject thereto. We will post any amendments to, or waivers of, the Conduct Code on our website.

Risk Oversight

Management is responsible for the day-to-day management of risks we face. Our board has overall responsibility for overseeing risk management with a focus on the more significant risks facing us. Our audit committee oversees risk policies and processes related to our financial statements, financial reporting processes and liquidity risks; our nominating and corporate governance committee, which we refer to as the ''nominating committee,'' oversees corporate governance risks; and our compensation committee oversees risks relating to remuneration of our officers and employees. The compensation committee does not believe that the compensation programs which are in place give rise to any risk that is reasonably likely to have a material adverse effect on us.

A portion of each quarterly meeting of the audit committee is devoted to reviewing the status of our properties and other matters (including related party transactions) which might have a material adverse impact on current or future operations. An executive officer reports to the committee regarding the activities of our disclosure controls and procedures committee – this committee is comprised primarily of the individuals responsible for our financial and regulatory reporting, meets approximately four times a year and is responsible for identifying areas of risk and in particular, risks with respect to disclosure controls and internal controls over financial reporting. In addition, an executive officer, our internal auditor and the independent registered public accounting firm reviewing or auditing, as the case may be, our financial statements, reports to the committee with respect to our compliance with our internal control policies in order to ascertain that no failures of a material nature have occurred. This process assists the audit committee in overseeing the risks related to our financial statements and the financial reporting process.

At board meetings, the directors review significant risk issues brought to their attention by management and committees of the board.

Leadership Structure

Our company is led by Israel Rosenzweig, Chairman of our Board, whom we refer to as our Chairman, and Jeffery A. Gould, President and Chief Executive Officer, whom we refer to as our Chief Executive Officer. The board believes that: (i) separating the role of Chairman and Chief Executive Officer is the most appropriate structure at this time because it makes the best use of the abilities of Messrs. Rosenzweig and Gould; and (ii) this leadership structure provides appropriate risk oversight of our activities.

Committees of the Board

Our board has three standing committees: audit, compensation and nominating. The board has adopted charters for these committees which require that they be comprised of at least three independent directors and, in the case of the audit committee, also requires that at least one member of such committee qualify as a ''financial expert.'' All of the members of each committee were independent during their period of service on such committee and in the case of the audit committee, each such member was also financially literate. The board has also adopted corporate governance guidelines that address the make-up and functioning of the board and its committees. See ''*Additional Information and Notice of Internet Availability*'' to obtain access for or copies of our corporate governance guidelines and committee charters.

The table below provides membership and meeting information for each of our committees for 2021:

Name	Audit	Compensation	Nominating
Alan H. Ginsburg		✔	
Louis C. Grassi	Chair*		✔
Gary Hurand	✔		Chair
Jeffrey Rubin		Chair	
Jonathan H. Simon		✔	
Elie Weiss	✔		✔
Number of Meetings	5	9	2

* Audit committee financial expert.

Audit Committee

This committee is responsible for assisting the board in overseeing, among other things, (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) our independent registered public accounting firm's qualification and independence, (iv) the performance of the accounting firm performing our internal control audit function, and (v) the preparation of the audit committee report required by the SEC for inclusion in this proxy statement. This committee is also responsible for the selection and engagement of our independent registered public accounting firm and for approving related party transactions.

Compensation Committee

This committee reviews and makes recommendations and/or determinations with respect to the salaries, bonuses and stock awards of our directors and full-time named executive officers.

Nominating Committee

This committee's principal responsibilities include proposing a slate of nominees for election to the board at the annual meeting of stockholders, recommending committee assignments, making recommendations with respect to the independence of each director and nominee for directors identifying and recommending candidates to fill vacancies on the board or committees thereof, overseeing board performance evaluations, proposing slate of officers for election at the annual meeting of the board, and monitoring corporate governance matters, including overseeing our corporate governance guidelines.

Director Qualifications

The board believes that it should be comprised of directors with complementary backgrounds, and that directors should, at a minimum, have expertise that may be useful to us. Our nominating committee considers the personal and professional attributes and the business experience of each candidate for director to promote diversity of expertise and experience among our directors. Additionally, directors should possess the highest personal and professional ethics and should be willing and able to devote the required amount of time to our business.

When considering candidates for director, the nominating committee will take into account various factors, including the following:

- the candidate's ability to qualify as an independent director;
- whether the candidate has relevant business experience;
- the candidate's judgment, skill, integrity and reputation;

- whether the candidate has a background in accounting or finance or other skills deemed relevant by the board; and
- the size and composition of the existing board.

The nominating committee will consider candidates for director suggested by stockholders, applying the criteria for candidates described above, and considering the additional information referred to below. Stockholders wishing to suggest a candidate for nomination for election as a director should write to the Office of the Corporate Secretary and include:

- a statement that the writer is a stockholder and is proposing a candidate for consideration by the committee;
- the name of and contact information for the candidate;
- a statement of the candidate's business and educational experience;
- information regarding each of the factors listed above sufficient to enable the committee to evaluate the candidate;
- a statement detailing any relationship between the candidate and any of our competitors;
- detailed information about any relationship or understanding between the proposing stockholder and the candidate; and
- a statement that the candidate is willing to be considered and willing to serve as a director if nominated and elected.

When seeking candidates for director, the nominating committee may solicit suggestions from management, incumbent directors or others. The committee or its chairperson will interview a candidate if it is believed the candidate might be suitable to be a director. The nominating committee may also ask the candidate to meet with management.

The nominating committee generally intends to recommend that the Board nominate incumbent directors who the committee believes will continue to make important contributions to us, inasmuch as the committee believes that the continuing service of qualified incumbents promotes stability and continuity, giving us the benefit of the familiarity and insight into our affairs that such directors have accumulated during their tenure, while contributing to the board's ability to work as a collective body.

Independence of Directors

The Board affirmatively determined that for the purposes of the corporate governance requirements of the New York Stock Exchange and applicable SEC requirements, each of (i) Carol Cicero, Alan H. Ginsburg, Louis C. Grassi, Gary Hurand, Jeffrey Rubin, Jonathan H. Simon and Elie Weiss, constituting approximately 64% of our directors, and (ii) the members of our audit, compensation and nominating committees, are independent. The Board based these determinations primarily on a review of the responses of our directors to questions regarding employment and compensation history, affiliations and family and other relationships, discussions with directors and relevant facts and circumstances provided to management of any relationships bearing on the independence of a director.

In evaluating independence, the board applied the independence standards of Sections 303A.01 and 303A.02 of the New York Stock Exchange Listed Company Manual (the ''NYSE Manual''), as well as our categorical independence standard included in our corporate governance guidelines. The board also applied, with respect to the: (i) audit committee, the independence standards imposed by Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended (the ''Exchange Act''), and Section 303A.07(a) of the NYSE Manual, and (ii) compensation committee, the independence standards imposed by Rule 10C-1 promulgated under the Exchange Act and Section 303A.02(a)(ii) of the NYSE Manual. See ''*Additional Information and Notice of Internet Availability of Proxy Materials*'' for information about accessing our corporate governance guidelines.

In evaluating Gary Hurand's independence, the Board was aware that a family entity in which his wife has a significant interest owns a preferred limited partnership interest in Gould Investors L.P. with a stated redemption value of approximately $2.9 million and that Mr. Hurand and several of his family members and their affiliates have invested an aggregate of approximately $1.1 million in investment funds managed by affiliates of Gould

Investors. In concluding that Mr. Hurand is independent, the Board took into account, among other things, the limited voting rights associated with these interests and that no member of the Hurand family, including Mr. Hurand, has any management involvement in Gould Investors. Gould Investors is a significant stockholder of ours and is primarily engaged in the ownership and operation of real estate properties held for investment. See "*Certain Relationships and Related Transactions*."

In evaluating Ms. Cicero's independence, the Board was aware that she had previously been employed by a company that performs property management services for several of our multi-family properties. The Board concluded that Ms. Cicero was nonetheless independent as she is no longer employed by the property manager and does not have a continuing relationship with them.

Compensation of Directors

The following table sets forth the cash compensation payable in 2021 to the directors for service on the board and its committees, all of whom, except as indicated in footnote 2 below, are non-management directors (*i.e.,* those directors who are not employees or officers of ours or our affiliates):

		Committee		
	Board	**Audit**	**Compensation**	**Nominating**
Annual retainer[1]	$ 23,000	$ 5,750	$4,600	$3,450
Presence in-person at meeting	1,450	1,150	1,150	1,150
Presence by telephone at meeting	875	875	875	875
Chairman's annual retainer[1]	280,900[2]	11,500	9,200	4,600

(1) The committee chairman receives the annual retainer and the annual retainer for serving as chairman of such committee.

(2) Reflects the compensation paid to Israel Rosenzweig, a management director, for his service as chairman of our board. See "*Executive Compensation—Chairman of the Board's Compensation*" and "*Certain Relationships and Related Transactions*."

In addition, in 2021, each non-management director was awarded 4,000 shares of restricted stock under our 2020 Incentive Plan. The restricted stock has a five-year vesting period, subject to acceleration upon the occurrence of specified events, during which period the owner is entitled to vote and receive distributions, if any, on such shares. Non-management directors who reside outside of the local area in which our executive office is located are reimbursed for travel expenses incurred in attending Board and committee meetings.

The following table sets forth the cash and non-cash compensation paid to our directors for their service in such capacity in 2021, all of whom, except for Israel Rosenzweig, are non-management directors:

	Year	**Fees Earned or Paid in Cash ($)[1]**	**Stock Awards ($)[2]**	**All Other Compensation ($)**	**Total ($)**
Alan H. Ginsburg	2021	35,475	61,160	—	96,635
Louis C. Grassi	2021	51,225	61,160	—	112,385
Gary Hurand	2021	44,950	61,160	—	106,110
Israel Rosenzweig	2021	280,900[3]	552,795[4]	—[5]	833,695
Jeffrey Rubin	2021	41,475	61,160	—	102,635
Jonathan H. Simon	2021	36,325	61,160	—	97,485
Elie Weiss	2021	39,200	61,160	—	100,360

(1) This table does not reflect: (a) the compensation we paid Jeffrey A. Gould, our President, Chief Executive Officer and a director; Fredric H. Gould, a director; and Matthew J. Gould, an executive officer and director; and (b) compensation paid to Fredric H. Gould, Matthew J. Gould and Israel Rosenzweig by Majestic Property Management Corp. ("Majestic Property"), which is wholly-owned by Fredric H. Gould. See "*Executive Compensation—Summary Compensation Table*" and "*Certain Relationships and Related Transactions*" for information regarding the compensation paid these individuals.

(2) Represents the aggregate grant date fair value computed in accordance with Accounting Standards Codification Topic 718 – Stock Compensation, which we refer to as "ASC Topic 718". Generally, the aggregate grant date fair value is the amount that we expect to expense in our financial statements over the award's vesting schedule. These amounts reflect our accounting expense and do not correspond to the actual value that will be realized by these directors.

(3) Reflects the retainer paid for serving as Chairman of the Board.

(4) Reflects the grant date fair value of 14,803 shares of restricted stock that vest in five-years subject to maintaining a relationship with us during such period and 10,412 shares subject to restricted stock units, which we refer to as RSUs, (excluding the peer group adjustment as described in *"Executive Compensation – Grant of Plan Based Awards"*) that vest in three-years subject to the satisfaction of performance and/or market conditions.

(5) Excludes fees for Services (as defined in *"Executive Compensation—General"*) of $60,800 for 2021. See *"Executive Compensation—General"* and *"Certain Relationships and Related Transactions."*

The table below shows the aggregate number of unvested stock awards held by the named directors and the value thereof as of December 31, 2021:

Name	Unvested Stock Awards (#)	Market Value of Unvested Stock Awards ($)[(1)]
Alan H. Ginsburg[(2)]	19,350	464,207
Louis C. Grassi[(2)]	19,350	464,207
Gary Hurand[(2)]	19,350	464,207
Israel Rosenzweig[(3)]	38,068	913,251
Jeffrey Rubin[(2)]	19,350	464,207
Jonathan H. Simon[(2)]	19,350	464,207
Elie Weiss[(2)]	19,350	464,207

(1) The closing price on the NYSE on December 31, 2021 for a share of our common stock was $23.99.

(2) In January 2022, March 2023, and January 2024, 2025 and 2026, 3,625 shares, 3,625 shares, 3,900 shares, 4,200 shares and 4,000 shares are scheduled to vest, respectively.

(3) Mr. Rosenzweig is the Chairman of the Board of our company. In January 2022, March 2023, January 2024 and 2025 and January and June 2026, his 3,450 shares, 3,163 shares, 3,185 shares, 3,055 shares, 2,803 and 12,000 shares are scheduled to vest, respectively. In March 2024, 10,412 shares (excluding the peer group adjustment) underlying RSUs, are scheduled to vest, subject to satisfaction of market and/or performance conditions. The recipient is also entitled to dividend equivalents for each share subject to RSUs that vests. Dividend equivalents represent the cumulative dividends that would have been paid on the shares that vest had such shares been outstanding from the grant date of the RSUs. See *"Executive Compensation – Components of Executive Compensation—Long-Term Equity and Long-Term Equity Incentive Awards", "Executive Compensation–Outstanding Equity Awards at Fiscal Year-End"* and note 10 of our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021 (the "Annual Report").

Non-Management Director Executive Sessions

In accordance with New York Stock Exchange listing standards, our non-management directors meet regularly in executive sessions without management. The person who presides over executive sessions of non-management directors is one of the committee chairmen. To the extent practicable, the presiding director at the executive sessions is rotated among the chairmen of the Board's committees.

Communications with Directors

Stockholders and interested persons who want to communicate with our board or any individual director can write to:

BRT Apartments Corp.
60 Cutter Mill Road, Suite 303
Great Neck, NY 11021
Attention: Office of the Corporate Secretary

Your letter should indicate that you are a stockholder of BRT Apartments Corp. Depending on the subject matter, the Office of the Corporate Secretary will:

- Forward the communication to the director or directors to whom it is addressed;
- Attempt to handle the inquiry directly; for example where it is a request for information about our company or it is a stock-related matter; or
- Not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

At each Board meeting, the Secretary will present a summary of communications received, if any, since the last meeting and make those communications available to the directors on request.

In the event that a stockholder, employee or other interested person would like to communicate with our non-management directors confidentially, they may do so by sending a letter to "Non-Management Directors" at the address set forth above. Please note that the envelope should contain a clear notation that it is confidential.

INFORMATION REGARDING BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDERS, DIRECTORS AND MANAGEMENT

The following table sets forth information concerning our shares owned as of the close of business on March 31, 2022 by (i) each person beneficially owning five percent or more of our outstanding shares, (ii) each director, (iii) each executive officer named in the Summary Compensation Table, and (iv) all directors and executive officers as a group:

Name of Beneficial Owner	Number of Shares Beneficially Owned[1]	Percent of Class
Carol Cicero	—	*
Alan H. Ginsburg	54,230	*
Fredric H. Gould[2]	421,448	2.3
Jeffrey A. Gould[3]	3,510,944	18.9
Matthew J. Gould[4]	3,491,329	18.8
Mitchell Gould	191,862	1.0
Louis C. Grassi	59,793	*
Gary Hurand[5]	377,923	2.0
David W. Kalish[6]	551,689	3.0
Israel Rosenzweig[7]	750,142	4.0
Jeffrey Rubin[8]	60,960	*
Jonathan H. Simon	55,230	*
Elie Weiss[9]	71,571	*
George Zweier	109,840	*
Gould Investors L.P[10]	2,989,898	16.1
Black Rock, Inc.[11]	946,668	5.1
All directors and executive officers as a group (18 persons)	6,812,411	36.7

* Less than 1%

(1) Shares are listed as beneficially owned by a person who directly or indirectly holds or shares the power to vote or to dispose of the shares. A person is deemed a beneficial owner if he or she has the right to acquire beneficial ownership of shares within 60 days of March 31, 2022. The percentage of beneficial ownership is based on 18,566,603 shares outstanding as the close of business on March 31, 2022.

(2) Includes (i) 25,260 shares owned by a partnership in which an entity wholly owned by him is the managing general partner and (ii) 11,500 shares in a trust of which he is the trustee and the beneficiary is his spouse. Excludes (i) 10,012 shares owned by his spouse and (ii) 2,468 shares held by him as custodian for a grandson, as to which he disclaims beneficial ownership.

(3) Includes 23,469 shares owned by a charitable foundation of which he is a director, as to which shares he has shared voting and investment power, 33,259 shares owned by a trust for the benefit of his children and other relatives of which he is a trustee (as to which he disclaims beneficial ownership), and 2,989,898 shares owned by Gould Investors. He is a director and senior vice president of the managing general partner of Gould Investors.

(4) Includes 20,874 shares owned by a pension trust over which he has shared voting and investment power, 23,469 shares owned by a charitable foundation of which he is a director, as to which shares he has shared voting and investment power, 33,259 shares owned by a trust for the benefit of his children and other relatives, of which he is a trustee (as to which he disclaims beneficial ownership), and 2,989,898 shares owned by Gould Investors. He is Chairman of the Board of the managing general partner of Gould Investors.

(5) Includes 73,332 shares owned by limited liability companies in which Mr. Hurand is a member, 161,479 shares owned by a corporation in which Mr. Hurand is an officer and shareholder, and 4,770 shares in a trust of which Mr. Hurand is a trustee. Mr. Hurand shares voting and investment power with respect to the shares owned by these entities.

(6) Includes 312,634 shares owned by the pension and profit sharing trusts of BRT Apartments Corp., REIT Management Corp. and Gould Investors as to which he, as trustee, has shared voting and investment power. Excludes 4,870 shares owned by his spouse, as to which shares she has sole voting and investment power and as to which he disclaims beneficial ownership.

(7) Includes 41,194 shares owned by the pension trust of Gould Investors and 250,566 shares owned by REIT Management Corp. pension and profit sharing trusts, as to which he, as trustee, has shared voting and investment power.

(8) Includes 13,102 shares pledged as collateral for a line of credit. No amounts are outstanding on such credit line.

(9) Excludes 271 shares owned by his spouse, as to which shares he disclaims beneficial ownership.

(10) Such person's address is: 60 Cutter Mill Road, Suite 303, Great Neck, NY 11021.

(11) As of December 31, 2021, based (other than with respect to percentage ownership) on information set forth in Amendment No. 3 to Schedule 13G filed with the SEC on February 1, 2022 by this reporting person whose business address is 55 East 52nd Street, New York, NY 10055. This reporting person reported that it has sole voting power with respect to 929,136 shares and sole dispositive power with respect to 946,668 shares and that it does not share voting or dispositive power with respect to the shares it beneficially owns.

ELECTION OF DIRECTORS
(Proposal 1)

The board is divided into three classes, each of which is elected for a staggered term of three years. Our Articles of Incorporation provides for ten directors, subject to increase or decrease as determined by the board. The board may, following the annual meeting, increase the size of the board and fill any resulting newly created directorships.

At the annual meeting of stockholders, four Class II Directors are one Class III Director will be elected to our board. Each nominee identified below has been recommended to our board by the nominating and corporate governance committee for election at the annual meeting and each nominee has been nominated by our board to stand for election at the annual meeting, to hold office until our 2025 annual meeting and until his or her successor is elected and qualified. Class III Directors and Class I Directors will continue to serve as directors until our 2023 and 2024 annual meetings, respectively, and until their respective successors are duly elected and qualify. Proxies will not be voted for a greater number of persons than the number of nominees named in the proxy statement.

It is contemplated that all the nominees will stand for election. Should any nominee become unavailable for election, all proxies (except proxies marked to the contrary) will be voted for the election of a substitute nominee recommended by the board of directors.

In an uncontested election, each nominee for director will be elected only if he or she receives the affirmative vote of a majority of the total votes cast ''for'' and ''against'' for such nominee. As set forth in our corporate governance guidelines, any nominee for director who is an incumbent director but who is not elected by the vote required in the Bylaws, and with respect to whom no successor has been elected, is required to promptly tender his offer to resign to the board for its consideration. The nominating committee will recommend to the board whether to accept the offer to resign. No later than the next regularly scheduled board meeting to be held at least ten days after the date of the election, the board will decide whether to accept such offer and promptly and publicly disclose its decision. If the resignation is not accepted, the director will continue to serve until the next annual meeting of stockholders and until the director's successor is duly elected and qualified or until the director's earlier resignation or removal. If the resignation is accepted, the board will either leave such position vacant, reduce the size of the board or elect another individual to serve in place of the resigning director. The nominating committee and the board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

Nominees for Election as Directors

Name	Class	Term to Expire at Annual Meeting in
Carol Cicero	III	2023
Matthew J. Gould	II	2025
Louis C. Grassi	II	2025
Israel Rosenzweig	II	2025
Jeffrey Rubin	II	2025

Directors Whose Terms are not Expiring

Name	Class	Term to Expire at Annual Meeting in
Elie Weiss	III	2023
Fredric H. Gould	III	2023
Gary Hurand	III	2023
Alan Ginsburg	I	2024
Jeffrey A. Gould	I	2024
Jonathan H. Simon	I	2024

Nominees for Election as Directors

Name and Age	Principal Occupation for the past Five Years and other Directorships or Significant Affiliations
Carol Cicero 62 years	Director since January 2022; From 2014 through 2021, Group Vice President and from 2000 through 2013, Area Vice President of RAM Partners, LLC, a full service real estate management firm; from 2013 through 2014, director of asset management at Arenda Capital Management, a real estate focused private investment firm. As a woman, Ms. Cicero adds a fresh perspective and diversity to our Board and her more than 30 years of property management experience in the multi-family sector will provide the board with greater insight into the challenges associated with the management and operations of such properties.
Matthew J. Gould 62 years	Director since 2001 and a Senior Vice President since 1993; from 1999 through 2011, Director and Senior Vice President, from 1989 through 1999, President, from 2011 through 2013, Vice Chairman and from 2013, Chairman of the Board of Directors of One Liberty Properties; from 1996 through 2012, President, and from 2013, Chairman of the Board of Georgetown Partners LLC. Since 2019, Chief Executive Officer of Rainbow MJ Advisors, which manages real estate loans and investments in the cannabis industry and since 2021, a Director of Halsa Holdings LLC, which is engaged in commercial activities in such industry. He is the son of Fredric H. Gould and brother of Jeffrey A. Gould. His experience in real estate matters, including the acquisition and sale of real property, mortgage financing and real estate management, makes him a valuable member of our board in its deliberations.
Louis C. Grassi 66 years	Director since 2003; Managing partner of Grassi & Co. CPAs, P.C. since 1980; Director of Flushing Financial Corp. since 1998 and serves as chairman of its audit committee. Mr. Grassi has been involved for more than 28 years in accounting and auditing issues. His knowledge of financial and accounting matters and his experience as a director and member of the audit committee of a publicly traded financial institution provides him with the accounting and governance background and the skill needed as the chairman and financial expert of our audit committee.
Israel Rosenzweig 74 years	Chairman of the Board since 2013, Director and Vice Chairman of the Board from 2012 through 2013 and Senior Vice President from 1998 through 2012; Vice President of Georgetown Partners, since 1997; Senior Vice President of One Liberty Properties, Inc. since 1989. His experience as a lending officer at a major financial institution, his knowledge and experience in business, finance and accounting matters and his more than 34 years of experience in the real estate industry provides the Board with an experienced and knowledgeable chairman.
Jeffrey Rubin 53 years	Director since 2004; since 2009, President and CEO of The JR Group, which provides consulting services to the electronic payment processing industry; President and Chief Executive Officer of Premier Payments, a provider of credit card processing services for merchants throughout the United States, from 2012 until its sale in 2015; President and director of Newtek Business Services, Inc., a provider of business services and financial products to small and medium sized businesses, from 1999 to 2008; Chief Executive Officer of Summit Processing Group LLC since 2008. Mr. Rubin's experience as the president and a director of a public company and his experience in business and financial matters are valuable to our company as the chairman of our compensation committee and in his activities as a director.

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF CAROL CICERO, LOUIS C. GRASSI, MATTHEW J. GOULD, ISRAEL ROSENZWEIG AND JEFFREY RUBIN AS DIRECTORS.

Continuing Directors

Name and Age	Principal Occupation for the past Five Years and other Directorships or Significant Affiliations
Alan H. Ginsburg . . . . 83 years	Director since 2006; Chief Executive Officer since 1987 of The CED Companies, a private company which develops, builds and manages multi-family apartment communities. His more than 30 years experience as chief executive officer of a real estate developer/manager provides our board with a long-term perspective on the real estate industry.
Fredric H. Gould. . . . . 86 years	Director since 1983 and Chairman of our Board from 1984 through 2013; with respect to One Liberty Properties, Inc., Chairman of the Board of Directors from 1989 to 2013, Vice Chairman of the Board since 2013, Chief Executive Officer from 2005 to 2007, and President from 2005 to 2006; Chairman of the Board of Georgetown Partners, managing general partner of Gould Investors, from 1997 to 2012 and director since 2013; Director of EastGroup Properties, Inc., from 1998 through 2019. Mr. Gould has been involved in the real estate industry for more than 50 years, as an investor, owner, manager, and as the chief executive officer of publicly traded real estate entities and real estate investment trusts. He has served as a director of four real estate investment trusts, and as a director and a member of the loan committee of two savings and loan associations. His knowledge and experience in business, finance, tax, accounting and legal matters and his knowledge of our company's business and history makes him an important member of our Board.
Jeffrey A. Gould. . . . . 56 years	Director since 1997, President and Chief Executive Officer since 2002 and President and Chief Operating Officer from 1996 to 2001; Senior Vice President and director since 1999 of One Liberty Properties; Senior Vice President of Georgetown Partners, since 1996. Mr. Jeffrey A. Gould's experience in a broad range of real estate activities, including real estate evaluation and management, real estate acquisitions and dispositions, mortgage lending and his 15 years as our President enables him to provide key insights on strategic, operational and financial matters related to our business.
Gary Hurand . . . . 75 years	Director since 1990; President of Dawn Donut Systems, Inc. since 1971; President of Management Diversified, Inc., a real property management and development company, since 1987; Director of Citizens Republic Bancorp Inc. and predecessor from 1990 through 2013. He is the father-in-law of Elie Weiss. Mr. Hurand brings valuable business and leadership skills to the Board in light of his extensive experience in commercial real estate and in business operations and as a former director and member of the audit committee of a publicly traded financial institution.
Jonathan H. Simon. . . . . . . 56 years	Director since 2006; President and Chief Executive Officer since 1994 of The Simon Baron Development Group (f/k/a The Simon Development Group), a private company which develops, owns and manages a diverse portfolio of residential, retail and commercial real estate, primarily in New York City. His background in the real estate industry and in particular, his experience in real estate development, affords him an understanding of the challenges faced in real estate development activities which is helpful in our development and acquisition activities.
Elie Weiss . . . . 49 years	Director since 2007; engaged in real estate development since 1997; Mr. Weiss is currently CEO of Five Forty Investments and a principal in a restaurant development and operating group, Paladar Restaurant Group. Executive Vice President of Robert Stark Enterprises, Inc., a company engaged in the development and management of retail, office and multi-family residential properties from 1997 to 2007; President of Real Estate for American Greetings from 2013 to 2017. He is also actively engaged in managing his personal real estate investments. He is the son-in-law of Gary Hurand. His real estate and entrepreneurial experiences makes him a valuable member of our board.

EXECUTIVE COMPENSATION

Compensation Program

The following features of our executive compensation program are evidence of our commitment to good corporate governance practice—we encourage you to read the more detailed information set forth herein:

WHAT WE DO

- ✓ *Emphasize equity awards as a significant portion of the performance/incentive component of compensation.* Long-term equity awards (*i.e.,* the grant date fair value of the restricted stock awarded in 2021 for 2020 performance) and equity incentive awards (*i.e*., the grant date fair value of the RSUs awarded in 2021; the long-term equity awards and equity incentive awards are referred to collectively as the "Equity Awards") accounted for 79.6%, 89.7% and 92.3% of the performance/incentive-based comportment of compensation awarded to Jeffrey A. Gould, our CEO, Mitchell Gould, our Executive Vice President and George Zweier, our CFO, respectively, for 2021.
- ✓ *Equity awards as a significant component of annual base compensation*. In 2021, Equity Awards, as a percentage of base annual compensation (*i.e.,* salary, cash bonus and the grant date fair value of the Equity Awards), was 42.3%, 47.7% and 54.4% for Jeffrey A. Gould, Mitchell Gould and George Zweier, respectively.
- ✓ *Mitigate undue risk in compensation programs*. The executive compensation program includes features that reduce the possibility of our executive officers, either individually or as a group, making excessively risky business decisions that could maximize short-term results at the expense of longer-term value.
- ✓ *Balance of short-term and long-term incentives.* Our incentive programs provide an appropriate balance between shorter and longer-term incentives.
- ✓ *Capped equity award payouts.* The number of shares that can be earned under our long-term equity incentive program are capped.
- ✓ *Stock ownership guidelines*. All of our named executive officers and non-management directors own a meaningful amount of our stock as required by these guidelines – see "– *Stock Ownership Guidelines*."
- ✓ *Independent compensation committee.* Our compensation committee is comprised entirely of independent directors and it oversees risks with respect to our compensation practices.
- ✓ *Anti-Hedging Policy.* We adopted a policy prohibiting our directors, officers, employees and others from engaging in short sales involving our shares or hedging transactions—see "*—Policy Prohibiting Hedging of our Securities*."
- ✓ *Clawback policy.* We are entitled to recoup compensation or cause the forfeiture of compensation as more fully described under *"—Clawbacks."*
- ✓ *Diversity; Responsiveness to Stockholders' Corporate Governance Comments.* We are responsive to comments and concerns raised by our stockholders. In response to comments raised by stockholders regarding board diversity, we appointed Carol Cicero, a woman, as a director.

WHAT WE DON'T DO

- ✘ *No employment agreements.* None of our officers have employment agreements. Employment of all of our full-time executive officers is "at will."
- ✘ *No severance arrangements.* There are no severance or similar arrangements for our executive officers, other than accelerated vesting of shares of restricted stock and RSUs upon the occurrence of specified events (*e.g.,* death, disability, retirement or change of control).
- ✘ *No golden parachute tax gross-ups.* There are no excise tax gross ups or similar arrangements for our executive officers.
- ✘ *No dividend or dividend equivalents on unearned equity incentive awards.* No dividends are paid on the RSUs until the underlying shares are earned.

- ✘ *No multi-year or guaranteed bonuses or equity grants.* We do not pay guaranteed bonuses to anyone and currently have no guaranteed commitments to grant any equity-based awards. This ensures that we are able to base all compensation awards to measurable performance factors and business results.
- ✘ *No costly defined benefit pension or supplemental retirement plans*. We do not provide costly retirement benefits to our executive officers that reward longevity rather than contributions to our performance.

General

We describe below our compensation objectives and policies as applied to our executive officers named in the Summary Compensation Table (collectively, the ''named executive officers''). This discussion focuses on the information contained in the compensation tables that appear in this proxy statement but also describes our historic compensation structure and practices to enhance an understanding of our executive compensation programs. Generally, our compensation committee oversees our compensation program, recommends to our board for its approval the compensation of executive officers employed by us on a full-time basis and the compensation paid those performing Services (as described below). Our audit committee reviews the allocation to us under a shared services agreement (as described below) of the compensation of executive officers who perform services for us on a part-time basis and the compensation paid to those performing the Services for such services. The term ''Services'' refers to the following services: participating in our property analysis and approval process, property disposition consultation and review, developing and maintaining banking and financing relationships, providing investment advice, and long-term planning and consulting with our executives and employees in other aspects of our business, as required.

We use the following compensation structure with respect to the compensation paid by us to our executive officers:

- executive officers who devote all, or substantially all, their business time to our affairs are compensated directly by us. The named executive officers who fit into this category are Jeffrey A. Gould, our President and Chief Executive Officer, Mitchell Gould, our Executive Vice President and George Zweier, our Vice President and Chief Financial Officer. These named executive officers are involved on a full-time basis in our multi-family property activities, management of our other real estate assets, and/or financial reporting; and
- executive officers who devote their time to us on a part-time basis, whose basic annual compensation (base salary, bonus, if any, and perquisites) is allocated to us under a shared services agreement based upon the estimated time each devotes to our business activities compared to the estimated time each devotes to the other parties to the shared services agreement. These executive officers perform services to us related primarily to legal, accounting, insurance and tax matters, corporate governance, SEC and New York Stock Exchange reporting and other regulatory matters, and consult with our executives and employees in areas involving multi-family property acquisitions, dispositions and financings, property management, and capital raising. These executive officers may also be compensated by us for their provision of the Services. See *''Certain Relationships and Related Transactions.''* David W. Kalish, Senior Vice President, Finance and Matthew J. Gould, Senior Vice President, respectively, are the named executive officers who fit into this category.

The Role of Say-on-Pay

In reviewing our compensation philosophy and practices and in approving compensation for 2021, the compensation committee was aware of the results of our June 2020 ''say-on-pay'' vote in which approximately 95.5% of the shares that voted on such proposal voted to approve our executive compensation determinations and practices. The compensation committee viewed such results as supportive of our compensation philosophy, practices and determinations.

Objectives of our Executive Compensation Program

The principal objectives of our compensation program for full-time officers are to: (a) ensure that the total compensation paid to such officers is fair and competitive, (b) retain highly experienced officers who have worked together for a long time and contributed to our success, (c) motivate these officers to contribute to the achievement of the Company's success and (d) align the interests of these executives and our stockholders. The compensation committee believes that relying on this principle permits us to retain and motivate these officers.

With respect to senior executive officers whose compensation is allocated to us under the shared services agreement (*i.e*., part-time officers) it is our objective that each of these officers receives compensation which, as allocated to us, is reasonable for the services they perform on our behalf, and that these executives provide us with sufficient time and attention to meet our needs and to perform their duties on our behalf. The compensation committee believes that:

- our part-time executive officers perform valuable services on our behalf, devote sufficient time and attention to our business needs, are able to fully meet our needs and perform their duties effectively; and
- using part-time executive officers pursuant to the shared services agreement enables us to benefit from access to, and the services of, a group of senior executives with experience and knowledge in real estate acquisitions and dispositions, real estate management, finance (including mortgage financing), banking, legal (including SEC reporting), accounting and tax matters that an organization our size could not otherwise afford.

Compensation Setting Process

Full-Time Officers

We determine compensation for our full-time named executive officers on a case-by-case basis and our compensation decisions include subjective determinations. We do not use formal quantitative performance targets to determine compensation. Base salaries are determined immediately preceding the year in which such salaries are to be paid, cash bonuses, which historically have been paid after taking into account the Performance Criteria (as described below) are determined at the end of the year in which services are rendered and paid in the following year, and restricted stock is granted in the year following the year in which the service was rendered.

In considering base compensation and bonuses, we assess an individual's performance, which assessment is highly subjective, and our overall performance for the preceding year including, without limitation, the progress of our business in general, our multi-family property acquisition and disposition activities, our revenues, results of operations, funds from operations, adjusted funds from operations, stockholder return, gains on property sales, the management of our real estate portfolio and subjective considerations (collectively, the ''Performance Criteria''). The weight assigned to any particular element of the Performance Criteria changes over time, and varies based on, among other things, subjective factors and the officer's specific responsibilities.

Part-Time Executive Officers

Shared Services Agreement

Fredric H. Gould, the former chairman of our board, is a principal executive and/or sole owner of one or more of the entities which participates with us in the shared services agreement. In such capacity, he, in consultation with our Chief Executive Officer and other senior executives, determines the annual base compensation of our part-time executive officers to be paid in the aggregate by one or more of the entities which are parties to the shared services agreement. Our audit committee reviews the allocations made under the shared services agreement to determine that the allocations have been made in accordance with the terms of this agreement and its conclusions are reported to the board.

Services

Our Chief Executive Officer, in connection with other senior executive officers and management directors, recommends to the compensation and/or audit committees, the compensation to be paid for the performance of the Services by our part-time executive officers and others. One or more of such committees recommends the individuals performing the Services and the amounts such individuals are to be compensated and the board has the authority to accept, reject or modify such recommendations.

Components of Executive Compensation

The principal elements of our compensation program for our full-time executive officers in 2021 were:

- base salaries;
- annual cash bonuses, which are available only to full-time executive officers and are provided in the form of a cash payment (and to the extent part-time executive officers are awarded cash bonuses by any of our affiliates that are party to the shared services agreement, our share of such bonuses is allocated to us pursuant to such agreement (see *"Certain Relationships and Related Transactions—Related Party Transactions"*);
- compensation paid to part-time executive officers in connection with their performance of the Services;
- long-term equity in the form of restricted stock and long-term equity awards in the form of RSUs; and
- special benefits and perquisites (*i.e*., contributions to defined contribution plan, additional disability insurance, long term care insurance, payment of education benefits and an automobile allowance (including insurance, maintenance and repairs)).

In determining 2021 compensation, the compensation committee did not have a specific allocation goal between cash and equity-based compensation.

Base Salary

<u>Full-Time Executive Officers</u>

Base salary is the basic, least variable form of compensation for the job an executive officer performs and provides each full-time executive officer with a guaranteed annual income. Base salaries of executive officers compensated by us directly are generally targeted to be competitive with the salaries paid to executives performing substantially similar functions at other REITs with a market capitalization similar to ours, taking into consideration the region in which our executive officers are located. Any increase in base salary is determined on a case-by-case basis, is not based upon a structured formula and is based upon, among other considerations, (i) such executive's current base salary, (ii) the recommendation of the Chief Executive Officer and other senior executive officers, (iii) our performance in the preceding year (*e.g.,* acquisition, disposition and financing activities, revenues, net income, funds from operations, adjusted funds from operations, stock price performance, dividends and any one or more of the foregoing), (iv) the individual's performance, (v) years of service, (vi) job responsibilities, and (vii) subjective factors.

<u>Part-Time Executive Officers</u>

Their annual base salaries are allocated to the entities which are parties to the shared services agreement, including us, based on the estimated time devoted by them to each entity that is a party to such agreement.

Bonus

<u>Full-Time Executive Officers</u>

We provide the opportunity for our full-time executive officers to earn an annual cash bonus. We provide this opportunity both to reward these individuals for past performance and to motivate and retain talented people. We recognize that annual bonuses are almost universally provided by other companies with which we might compete for talent. Annual cash bonuses for our executive officers (including the three named executive officers who devote substantially all of their business time to our affairs) are determined on an individual basis taking into account the Performance Criteria. These determinations are highly subjective.

<u>Part-Time Executive Officers</u>

Their bonuses are allocated in the same manner as their base salaries are allocated as described above under *"- Part-Time Executive Officers."*

Services

Our management directors and certain part-time executive officers, including two named executive officers (*i.e*., David W. Kalish and Matthew J. Gould), provide Services. See "*Executive Compensation—General"* for a description of the Services. The other executive officers and management directors performing Services are: Fredric H. Gould, Isaac Kalish, Israel Rosenzweig, Steven Rosenzweig and Mark H. Lundy. See *“Certain Relationships and Related Transactions.”*

Long-Term Equity and Long-Term Equity Incentive Awards

We provide the opportunity for our full-time and part-time executive officers to receive long-term equity (*i.e*., restricted stock) and long-term equity incentive awards (*i.e*., RSUs). These compensation programs are designed to recognize responsibilities, reward performance, retain our executive officers, motivate future performance and align the interests of our executive officers with our stockholders’ interests. The compensation committee reviews annually management’s recommendations for long-term equity awards for all our officers, directors and employees and makes determinations with respect to the grant of such awards. In making these determinations, the compensation committee considers the factors it considers relevant, including our performance and an individual’s performance. Existing ownership levels are not a factor in award determinations.

In 2021, we adopted a long-term pay-for-performance equity incentive program (the ‘‘2021 Performance Plan’’) pursuant to which we issued to 16 individuals, including our named executive officers, RSUs exchangeable for up to an aggregate of 210,375 shares of common stock (including up to 23,375 shares issuable pursuant to the peer group adjustment as described below). These RSUs vest if and to the extent pre-established market or performance conditions are met through the March 31, 2024 measurement date. Further, the awards tied to market performance are subject to increase or decrease, which we refer to as the ‘‘peer group adjustment’’, based upon our market performance compared to the market performance of a peer group. Finally, recipients are entitled to an amount equal to the cumulative dividends that would have been paid on the shares underlying the RSUs that vest had the shares been outstanding from the grant date of such award (the ‘‘RSU Dividend Equivalents’’). See ‘‘ — *Grant of Plan Based Awards”* for further information about the market and performance conditions. We use RSUs as an element of our long-term equity incentive compensation program with the expectation that in light of the three-year vesting period and the need to satisfy market and/or financial performance conditions, these awards will further align the interests of our executive officers with our stockholders and reward long-term market and financial performance.

The conditions that must be satisfied to earn the performance-based compensation are tied to the achievement of rigorous, sustained performance and/or market goals – as further described below, 50% of the award is based on return on capital (‘‘ROC’’) and 50% on total stockholder return (‘‘TSR’’). The specific goals and the other material terms and conditions of the 2021 Performance Plan are as follows:

Long–Term Equity Incentive Awards Performance Criteria	Weight	Minimum Performance Criteria	Target Performance Criteria	Maximum Performance Criteria
Adjusted Funds from Operations (AFFO)	50%	Compounded annual growth rate of 4%	Compounded annual growth rate of 6%	Compounded annual growth rate of 8%
Total Stockholder Return (TSR)	50%(1)	Compounded annual growth rate of 5%	Compounded annual growth rate of 8%	Compounded annual growth rate of 11% or greater

(1) Does not give effect to the increase or decrease in the number of shares subject to the award as a result of the peer group adjustment.

We do not have a formal policy with respect to whether equity compensation should be paid in the form of stock options, restricted stock or RSUs. We generally grant on an annual basis, restricted stock awards which vest after five years of service and in 2021, we granted, and anticipate granting in 2022 and annually thereafter, RSUs that vest in three years subject to market and/or performance conditions. The compensation committee generally believes restricted stock awards and RSUs are more effective than options in achieving our compensation objectives. Restricted stock has a greater retention value than options because of the five-year cliff vesting requirement and because before vesting, dividends are paid on restricted stock as an additional element of compensation. Executive officers realize value upon the vesting of the restricted stock, with the value potentially increasing if our stock performance increases. RSUs provide an additional incentive component to equity based awards in that the units only vest if, and to the extent, performance or market conditions are satisfied. Restricted stock and RSUs align the interests of our officers with our stockholders and because fewer shares are normally awarded than in connection with the grant of options, they are potentially less dilutive than option grants.

Executive Benefits and Perquisites

We provide our executive officers and our employees with a competitive benefits and perquisites program. For 2021, the executive benefits and perquisites we provided to executive officers generally accounted for a small percentage of the compensation provided by, or allocated to, us for our executive officers. In addition to the benefits and perquisites provided to all our full-time employees, we provided to certain of our full-time executive officers an automobile allowance (including payments for automobile maintenance and repairs), the payment of college tuition expense and the payment of premiums for additional disability insurance and/or long-term care insurance. The cost of the executive benefits and perquisites provided to our part-time executive officers, which benefits are similar to those provided to our full-time executive officers, is allocated among us and other entities pursuant to the shared services agreement.

Employment and Severance Agreements; Post-Employment Benefits; Change of Control

None of our named executive officers has employment or severance agreements with us. They are ''at will'' employees who serve at the pleasure of our Board.

We do not provide for any post-employment benefits to our named executive officers other than the accelerated vesting of our restricted stock awards and RSUs as described below.

Accelerated Vesting of Restricted Stock Awards

Generally, a person's restricted stock award will vest fully in the event of such person's death, disability (*i.e*., the inability to engage in gainful activity due to a life threatening or long lasting mental or physical impairment), or retirement (having reached the age of 65 and worked for us for at least ten consecutive years; death, disability and retirement referred to collectively as a ''DDR Event'') or in the event of a change of control in our company. Subject to the specific terms and conditions of the applicable plan and award agreement, a change of control is generally deemed to occur if (i) any person, with specified exceptions, becomes the ''beneficial owner'' of securities representing 20% or more of the combined voting power of our then outstanding securities, (ii) a business combination or sale of all or substantially all of our assets is completed or (iii) there is a change in the composition of a majority of our Board, other than changes approved by incumbent directors.

Accelerated Vesting of RSUs

Upon the occurrence of a DDR Event, subject to the satisfaction of the applicable performance criteria proportionately adjusted to give effect to a reduction in the three-year performance cycle, which we refer to as the ''adjusted performance conditions'', a *pro rata* portion (based on the percentage of days in the performance cycle that have elapsed) of the RSUs will vest.

Upon a change of control (as described above), the RSUs will vest to the extent the applicable as adjusted market and/or performance conditions have been met.

See *''—Outstanding Equity Awards at Fiscal Year End''* and note 10 of our consolidated financial statements included in the Annual Report for additional information about our RSUs.

Chairman of the Board's Compensation

For 2020 and 2021, our Chairman of the Board earned, and in 2022, he will earn, fees of $280,900, $280,900 and $282,225, respectively. Our Chairman does not receive any additional direct compensation from us, other than fees for the Services and long-term equity awards and long-term equity incentive awards, if any, granted to him by our compensation committee. Our Chairman may also receive compensation from other entities that are parties to the shared services agreement. For additional information regarding payments to our Chairman, see ''*Certain Relationships and Related Transactions*.''

Policy Prohibiting Hedging of Our Securities

The board believes that transactions in our securities engaged in by Covered Persons (as defined below) (i) that are designed to hedge (*i.e*., eliminate or reduce), the risks of ownership of our securities, or (ii) allow for the profit from any decrease in the value of our securities, are inappropriate.

Accordingly, the board has adopted an anti-hedging policy that applies to transactions in securities by directors, officers, employees, persons performing services pursuant to our shared services agreement and certain relatives of the foregoing (collectively, the "Covered Persons"). Under the policy, Covered Persons are prohibited from:

- engaging in short sale transactions in our securities,
- engaging in hedging or monetizing transactions through transactions in our securities or through the use of financial instruments designed for such purposes,
- engaging in any transaction in securities where a reasonable investor would conclude that such transaction is for short-term gain or is speculative, and
- owning financial instruments (other than those issued by us) or participating in investment strategies that represent a direct or indirect hedge of the economic risk of owning our securities or any other that give the holder any rights to acquire any such securities.

Clawbacks

We are entitled to clawback or obtain reimbursement of an executive's compensation under the following circumstances:

- in the event we are required to restate our financial statements due to our material non-compliance, as a result of misconduct, with any financial reporting requirement under the securities laws, our chief executive officer and chief financial officer are required to reimburse us for (i) any bonus or other incentive based compensation or equity based compensation they receive from us during the 12 months following the initial public issuance of the financial document embodying such financial reporting requirement and (ii) profits from the sale of our common stock during such 12 months;
- if an executive officer's relationship with us is terminated for cause (*e.g.*, insubordination, dishonesty, incompetence, moral turpitude, the refusal to perform such person's duties and responsibilities and other misconduct of any kind, as determined by the compensation committee) then (i) all options (except to the extent exercised) immediately terminate and (ii) the officer's rights to all restricted stock, RSUs and performance share awards (except to the extent such awards have vested) are forfeited immediately; and
- in accordance with any additional claw-back policy implemented by us, whether implemented prior to or after the grant of an award pursuant to our equity incentive plans.

Analysis

Base Salary and Bonus

Full-Time Executive Officers

In accordance with the compensation setting process described above, base salary and cash bonuses for 2021 were approved as follows for the named executive officers compensated directly by us:

	2021 Base Salary ($)	2020 Base Salary ($)	% Change	2021 Bonus ($)(1)	2020 Bonus ($)(2)	% Change
Jeffrey A. Gould, President and CEO	864,004	867,169	*	200,000	135,000	48.1
Mitchell Gould, Executive Vice President	436,296	438,096	*	51,255	51,255	—
George Zweier, Vice President and CFO	321,004	322,329	*	35,200	45,000	(21.8)

* Less than one percent.

(1) Represents the bonus applicable to 2021 which was paid in January 2022.

(2) Represents the bonus applicable to 2020 which was paid in January 2021.

Our compensation committee and the Board (for the purposes of this section, collectively, the ''Board'') determined in late 2020 that although it was satisfied with the respective performances of Messrs. J. Gould, M. Gould and Zweier in 2020, in light of the economic dislocations resulting from the COVID-19 pandemic, its potential impact on us and the desire to conserve cash, their base salaries for 2021 should effectively remain at approximately the same level as in 2020.

In determining in late 2021 and early 2022 bonuses for 2021 for these executive officers, the Board took into account the Performance Criteria and in particular, the increases in 2021 from 2020 FFO, AFFO, the gains in 2021 from property sales (including the sale of interests in joint ventures that owned properties) and with respect to:

- Jeffrey A. Gould, his overall stewardship of the Company through the challenges presented by the pandemic;
- Mitchell Gould, the assistance he provided Jeffrey A. Gould in performing his duties – the Board believed that the level of his bonus in 2020 is also an appropriate bonus level for 2021; and
- George Zweier, notwithstanding being satisfied with Mr. Zweier's performance in 2021, his 2021 bonus decreased from 2020 because the 2020 bonus reflected his extraordinary efforts in addressing the financial reporting matters described under *''Independent Registered Public Accounting Firm (Proposal 2)—Change in Auditors.''*

Part-Time Named Executive Officers

David W. Kalish, Senior Vice President, Finance, has overall responsibility for implementation and enforcement of our internal controls, performs oversight and guidance in connection with our annual audit and our quarterly reports, performs oversight and guidance related to tax matters, including REIT compliance, is involved in banking relationships, is a participant in our disclosure control and procedures committee and participates in the preparation and review of our press release and our disclosures under the Exchange Act.

Matthew J. Gould, Senior Vice President is a member of our investment committee and as such is involved in analyzing and reviewing operating results of each property in our portfolio and in analyzing, reviewing and approving each of our acquisition, disposition and financing transactions.

Long-Term Equity and Equity Incentive Awards

We believe that our long-term equity compensation program, using restricted stock awards and RSUs with five-year and three-year cliff vesting, respectively, provides motivation for our executives and employees, is a beneficial retention tool and incentivizes performance. We are mindful of the potential dilution and compensation cost associated with awarding restricted shares and RSUs. Our policy remains to limit dilution and compensation costs. In June 2021, January 2021 and January 2020, we issued 160,000, 156,774 and 158,299 restricted stock awards, respectively, representing approximately 0.89%, 0.91% and 0.97% of our outstanding shares, respectively. In June 2021, we issued 187,000 shares subject to RSUs (excluding up to 23,375 shares issuable pursuant to the peer group adjustment) representing 1.03% of our outstanding shares – such shares only vest upon the achievement of specified of performance and/or market goals. In the past three years, we have awarded an average of 272,824 shares subject to restricted stock and RSUs each year, representing an average of 1.6% per annum of our outstanding shares of common stock.

Fees for Services

The aggregate fee paid to seven individuals for Services in 2021 were $1,397,900. See ''*Certain Relationships and Related Transactions.''*

Stock Ownership Guidelines

Because we believe that the ownership by our named executive officers and non-employee directors of a meaningful financial stake in us serves to align their interests with those of our stockholders, we adopted, in March 2022, stock ownership guidelines. Our guidelines reflect that the individuals identified below should own shares of common stock with a value not less than:

Title	Minimum Ownership Requirement
Chief Executive Officer	4 times current base salary
Full-Time NEO	2 times current base salary
Part-Time NEO	2 times allocated base salary
Non-Management Directors	3 times annual base retainer

All shares deemed to be beneficially owned as determined under Rule 13d-3 promulgated pursuant to the Exchange Act (including shares as to which beneficial ownership is disclaimed), are counted towards meeting the guidelines. The individuals subject to these guidelines generally have five years from the date they assume such title to achieve the requisite ownership, which will be measured as of December 31 of each year. The stock price used in determining satisfaction of the guidelines is the most favorable price during the two years ending on the December 31 measurement date. ''Allocated base salary'' refers to the amount reflected in the salary column of the summary compensation table of our proxy statement for the preceeding year. Although they were not then subject to these guidelines, as of December 31, 2021, each of our named executive officers and non-management directors satisfied these guidelines.

Perquisites

The perquisites we provide to our executive officers, which are in addition to the benefits we provide to all our employees, generally account for a small percentage of the compensation paid by us to or allocated to us for our executive officers. We believe that such perquisites are appropriate.

Post-Employment Benefits Program

The following table sets forth the value (based on the closing price of our stock on December 31, 2021 of $23.99 per share) of equity awards held by our named executive officers that would vest upon a DDR Event or a change in control as of December 31:

	Upon Death, Disability or Retirement		Upon a Change of Control	
Name	Restricted Stock ($)	RSUs ($)[2]	Restricted Stock ($)	RSUs ($)[2]
Jeffrey A. Gould	2,018,735	58,560	2,018,735	58,560
George Zweier	1,092,745	30,851	1,092,745	30,851
Mitchell Gould	1,444,798	30,851	1,444,798	30,851
David W. Kalish[1]	1,195,854	47,668	1,195,854	47,668
Matthew J. Gould	2,018,735	58,560	2,018,735	58,560

(1) Because Mr. Kalish is over 65 and has satisfied the period of service requirement, a *pro rata* portion of his RSUs vest (assuming satisfaction of the adjusted performance conditions) and all of the restricted stock would vest upon his retirement as of December 31, 2021; the market value of his restricted stock and RSUs are reflected in the applicable column.

(2) Assumes that the target performance criteria is achieved and that there is no peer group adjustment. See *"—Components of Executive Compensation—Long-Term Equity and Long-Term Equity Incentive Awards" and "—Outstanding Equity Awards at Fiscal Year End"* and note 10 of our consolidated financial statements included in the Annual Report.

Summary Compensation Table

The following table discloses the compensation paid and accrued for services rendered in all capacities to us for our named executive officers for the years ended December 31, 2021, 2020 and 2019:

Name and Principal Position	Year	Salary ($)(1)(2)	Bonus ($)(1)(3)	Stock Awards ($)(4)	All Other Compensation ($)(5)(6)	Total ($)
Jeffrey A. Gould	2021	864,004	200,000	778,898	148,386(7)	1,991,288
President and CEO	2020	867,169	135,000	250,027	119,134	1,371,330
	2019	838,941	150,000	178,381	101,550	1,268,872
George Zweier	2021	321,004	35,200	424,714	87,521(8)	868,439
Vice President and CFO	2020	322,329	45,000	130,950	48,688	546,967
	2019	308,704	36,400	90,593	47,969	483,666
Mitchell Gould	2021	436,296	51,255	446,647	212,053(9)	1,146,251
Executive Vice President	2020	438,096	51,255	174,600	110,593	774,514
	2019	419,953	60,300	134,028	114,121	728,402
David W. Kalish	2021	256,827	—	600,212	323,215(10)	1,180,254
Senior Vice President, Finance	2020	255,766	—	129,571	258,752	664,089
	2019	227,582	—	86,870	240,810	555,262
Matthew J. Gould	2021	—	—	778,898	314,788(11)	1,093,686
Senior Vice President	2020	—	—	250,027	243,100	493,127
	2019	—	—	178,381	231,524	409,905

(1) The salary and bonus for each of Jeffrey A. Gould, George Zweier and Mitchell Gould is paid directly by us. David W. Kalish and Matthew Gould do not receive salary or bonus directly from us but receive an annual salary and bonus from Gould Investors and related companies; a portion of their respective salaries and bonuses are allocated to us pursuant to the shared services agreement. See " —*Compensation Setting Process—Part-time Executive Officers.*" The amount of salary and bonus that is allocated to us is set forth under the "Salary" column in the Summary Compensation Table. See "*Certain Relationships and Related Transactions*" for a discussion of additional compensation paid to Messrs. Jeffrey A. Gould, Kalish and Matthew J. Gould by entities owned by Fredric H. Gould, a management director and the former Chairman of our Board.

(2) The annual base salaries in 2022 for each of Jeffrey A. Gould, George Zweier and Mitchell Gould are $885,000, $343,775, and $467,224, respectively.

(3) The table sets forth the year in which the bonus was earned, not the year it was paid. The bonus for 2021, 2020 and 2019 reflects our performance and the performance of our named executive officers for such years and was paid in January 2022, 2021 and 2020, respectively.

(4) Represents restricted stock granted in 2021, 2020 and 2019 and RSUs granted in 2021 (RSUs were not granted in 2019 and 2020) at the grant date fair value of such awards calculated in accordance with Item 402 of Regulation S-K and ASC Topic 718. Assumes that the maximum number of shares subject to RSUs will vest and does not give effect to the peer group adjustment. These amounts do not correspond to the actual values that will be realized by the named executives. Grant date fair value assumptions are consistent with those disclosed in Note 10 — Stockholders' Equity, in the consolidated financial statements included in our Annual Report. See *" – Grant of Plan Based Awards During 2021"* for additional information. On January 13, 2022, we granted: (a) Jeffrey A. Gould, George Zweier, Mitchell Gould, David W. Kalish and Matthew J. Gould, 14,282, 8,400, 8,900, 7,971 and 14,282 shares of restricted stock, respectively, with a grant date fair value of $21.25 per share.

(5) We maintain a tax qualified defined contribution plan for all of our full-time officers and full and part-time employees, and entities which are parties with us to a shared services agreement (including Gould Investors) maintain substantially similar defined contribution plans for their officers and employees. We make an annual contribution to the plan for each officer and employee whose base salary is paid directly by us (and entities which are parties to the shared services agreement make annual contributions to their respective plans for their respective employees, which amounts are allocated to the parties to the shared service agreement in accordance with its terms) equal to 15% of such person's annual earnings, not to exceed $43,500, for any person in 2021. The estimated amount payable as of December 31, 2021 to Jeffrey A. Gould, George Zweier and Mitchell Gould pursuant to this plan upon termination of their employment is $4.1 million, $1.7 million, and $2.0 million, respectively. The method of payment upon termination of employment is determined solely by the participant who may elect a lump sum payment, the purchase of an annuity or a rollover into an individual retirement account.

(6) Excludes dividends on unvested restricted stock.

(7) Includes $71,688 of RSU Dividend Equivalents, our contribution of $43,500 paid for his benefit to our defined contribution plan and perquisites totalling $33,198, of which $5,700 represents an automobile allowance, $4,236 represents a premium paid for additional disability insurance, $6,835 represents a premium paid for long-term care insurance and $16,427 represents an education benefit.

(8) Includes $38,750 of RSU Dividend Equivalents, our contribution of $43,500, paid for his benefit to our defined contribution plan and a $5,271, automobile allowance.

(9) Includes an education benefit of $118,668, $42,625 of RSU Dividend Equivalents, our contribution of $43,500 paid for his benefit to our defined contribution plan and an $7,260 automobile allowance.

(10) Includes $231,524 for the Services, $64,905 of RSU Dividend Equivalents, our contribution of $13,480 paid for his benefit to the Gould Investors defined contribution plan, and perquisites of $13,306, of which $7,431, and $5,875, represent our share of the amounts incurred by Gould Investors for insurance benefits and an automobile allowance, respectively. The amounts reflected as contributions to the defined contribution plan and as perquisites are allocated to us pursuant to the shared services agreement.

(11) Includes $243,100 for the Services and $71,688 of RSU Dividend Equivalents.

Grants of Plan-Based Awards

The table below discloses the grants of plan-based awards during 2021 to our named executive officers. The restricted stock awards, which are referred to in such table as ''RS'' and the restricted stock units, which are referred to in the table as ''RSUs'', were issued pursuant to our 2020 Incentive Plan.

Restricted Stock

Vesting of the restricted stock occurs, with certain exceptions, subject to the continuation of an employment, consulting or similar relationship with us through 2026. Upon vesting, each restricted stock award entitles the recipient to one share of common stock. Holders of restricted stock are entitled to the dividends paid on, and to vote, their shares.

RSUs

Vesting of the RSUs occurs, with certain exceptions, subject to the continuation of an employment, consulting or similar relationship with us through 2024, upon satisfaction of benchmarks related to the compounded annual growth rate from 2021 through 2024 in (i) total stockholder return, which awards are referred to in the table below as ''RSU-TSR'' and (ii) adjusted funds from operations (as presented in our filings with the SEC), which awards are referred to in the table below as ''RSU-AFFO.''

The RSU – TSR awards are subject to an increase or decrease, which we refer to as the peer group adjustment, depending on our performance relative to a peer group (*i.e.*, the FTSE NAREIT Equity Apartment Index, excluding companies whose primary focus is the provision of housing for college/graduate students). Specifically, if the compounded annual growth rate in total stockholder return during the performance cycle is in the (i) top quartile of our peer group, the recipient is entitled to additional RSUs equal to 25% of the RSU-TSR awards that vest at the applicable threshold, target and maximum levels and (ii) in the bottom quartile of the peer group, the recipient will forfeit 25% of the RSU-TSR awards that vest at the applicable threshold, target and maximum levels. This peer group adjustment is not reflected in the table below.

Each RSU is coupled with a dividend equivalent right entitling the holder to an amount in cash equal to the aggregate amount of cash dividends that would have been paid in respect of the shares underlying such RSUs, if and to the extent such RSU vest, had such shares been outstanding during the performance cycle applicable to such RSU.

			Estimated Future Payouts under Equity Incentive Plan Awards:[1](#)				
Name	Grant Date	Grant Type	Threshold[1]	Target[2]	Maximum[3]	All Other Stock Awards: Number of Shares of Stocks or Units(#)	Grant Date Fair Value of Stock Awards ($)[4]
Jeffrey A. Gould	1/08/21	RS	—	—	—	14,320	218,953
	6/09/21	RS	—	—	—	14,800	264,328
	6/09/21	RSU-TSR	2,441	4,882	9,766	—	121,196
	6/09/21	RSU-AFFO	2,441	4,882	9,766	—	174,421
George Zweier	1/08/21	RS	—	—	—	8,250	126,143
	6/09/21	RS	—	—	—	8,000	142,880
	6/09/21	RSU-TSR	1,286	2,572	5,143	—	63,837
	6/09/21	RSU-AFFO	1,286	2,572	5,143	—	91,854
Mitchell Gould	1/08/21	RS	—	—	—	8,750	133,788
	6/09/21	RS	—	—	—	8,800	157,168
	6/09/21	RSU-TSR	1,286	2,572	5,143	—	63,825
	6/09/21	RSU-AFFO	1,286	2,572	5,143	—	91,854
David W. Kalish	1/08/21	RS	—	—	—	7,864	120,241
	6/09/21	RS	—	—	—	13,400	239,224
	6/09/21	RSU-TSR	1,987	3,974	7,950	—	98,660
	6/09/21	RSU-AFFO	1,987	3,974	7,950	—	141,987
Matthew J. Gould	1/08/21	RS	—	—	—	14,320	218,953
	6/9/21	RS	—	—	—	14,800	264,328
	6/09/21	RSU-TSR	2,441	4,882	9,766	—	121,186
	6/09/21	RSU-AFFO	2,441	4,882	9,766	—	174,421

(1) To achieve the threshold award, a compounded annual growth rate of 5% and 4% is required during the Performance Cycle with respect to the RSU-TSR awards and RSU-AFFO awards, respectively.

(2) To achieve the target award, a compounded annual growth rate of 8% and 6% is required during the Performance Cycle with respect to the RSU-TSR awards and RSU-AFFO awards, respectively.

(3) To achieve the maximum award, a compounded annual growth rate of 11% and 8% is required during the Performance Cycle with respect to the RSU-TSR awards and RSU-AFFO awards, respectively.

(4) The per share grant date fair value of the: (a) restricted stock granted on January 8, 2021 and June 9, 2021 is $15.29 and $17.86, respectively, and (b) RSU – TSR and RSU – AFFO awards are, and $12.41 and $17.86, respectively. These amounts do not correspond to the actual values that will be realized by the executives. The aggregate grant date fair value for the RSU-AFFO awards gives effect to management's assessment of the probable outcome as to whether, and the extent to which, the RSU-AFFOs will vest.

Outstanding Equity Awards at Fiscal Year-End

The following table discloses the number and value (based on the closing price per common share of common stock of $23.99 on December 31, 2021) of the outstanding equity awards at December 31, 2021 for our named executive officers:

	Stock Awards			
Name	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(6)	Equity Incentive Plan Awards: Market or Payout Value of Shares, Units or Other Rights That Have Not Vested ($)(6)
Jeffrey A. Gould	84,149(1)	2,018,735	21,974	527,144
George Zweier	45,550(2)	1,092,745	11,572	277,606
Mitchell Gould	60,225(3)	1,444,798	11,572	277,606
David W. Kalish	49,848(4)	1,195,854	17,888	429,121
Matthew J. Gould	84,149(5)	2,018,735	21,974	527,144

(1) In January 2022, March 2023, January 2024, 2025 and 2026, and June 2026, restricted stock awards with respect to 13,110, 13,225, 14,374, 14,320, 14,320 and 14,800 shares, respectively, are scheduled to vest.

(2) In January 2022, March 2023, January 2024, 2025 and 2026, and June 2026, restricted stock awards with respect to 7,500, 7,000, 7,300, 7,500, 8,250 and 8,000 shares, respectively, are scheduled to vest.

(3) In January 2022, March 2023, January 2024, 2025 and June 2026, restricted stock awards with respect to 11,375, 10,500, 10,800, 10,000, 8,750 and 8,800 shares, respectively, are scheduled to vest.

(4) In January 2022, March 2023, January 2024, 2025 and 2026, and June 2026, restricted stock awards with respect to 7,000, 7,163, 7,000, 7,421, 7,864 and 13,400 shares, respectively, are scheduled to vest.

(5) In January 2022, March 2023 and January 2024, 2025 and 2026, and June 2026 restricted stock awards with respect to 13,110, 13,225, 14,474, 14,320, 14,320 and 14,800 shares, respectively, are scheduled to vest.

(6) Reflects the maximum number of shares subject to RSUs (including the additional shares potentially issuable as a result of the peer group adjustment) scheduled to vest in 2024 upon satisfaction of market and/or performance based conditions.

Option Exercises and Stock Vested

The following table discloses information with respect to the shares of restricted stock and shares underlying RSUs that vested in 2021:

	Stock Awards	
Name	Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting ($)(1)
Jeffrey A. Gould	36,355	588,140
George Zweier	19,000	308,130
Mitchell Gould	25,750	411,790
David W. Kalish	27,938	457,719
Matthew J. Gould	36,355	588,140

(1) Includes 23,125, 12,500, 13,750, 20,938 and 23,125 shares, with a value realized upon vesting of $389,425, $210,500, $231,550, $352,579 and $263,125, issued to Messrs. J. Gould, Zweier, Mitchell Gould, Kalish and Matthew J. Gould, respectively, upon satisfaction of total stockholder return and peer group adjustment conditions underlying RSUs granted in 2016.

Pay Ratio

We provide below a reasonable estimate of the relationship of the annual total compensation of Jeffrey A. Gould, our Chief Executive Officer and President, to the median annual total compensation of our employees (other than the CEO). For 2021:

- the annual total compensation of our CEO, as reported in the Summary Compensation Table, was $1,991,288;
- the median annual total compensation of all our employees (other than our CEO) was $649,344; and
- our CEO's annual total compensation was 3.07 times that of the median of the annual total compensation of all our employees (other than our CEO).

In calculating this estimate, we included as our employees as of the December 31, 2021 measurement date, only those individuals to whom we are required by the Internal Revenue Code of 1986, as amended, to issue a Form W-2. We identified our median employee by calculating our employees' total annual compensation in the same manner that the CEO's total annual compensation is calculated for the Summary Compensation Table.

Companies adopt a variety of methodologies and apply various assumptions in presenting this ratio. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio we report.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Introduction

Israel Rosenzweig, Chairman of our Board, is a Senior Vice President of One Liberty Properties, Inc. ("One Liberty") and a Senior Vice President of the managing general partner of Gould Investors. (One Liberty and Gould Investors are described below). He is the father of Steven Rosenzweig, Senior Vice President – Legal of BRT and an executive officer of the managing general partner of Gould Investors and Alon Rosenzweig, our employee. One Liberty and Gould Investors are further described below. Fredric H. Gould, a director and former Chairman of our Board, is Vice Chairman of the Board of Directors of One Liberty. He is the father of Matthew J. Gould and Jeffrey A. Gould. Jeffrey A. Gould, a director and our President and Chief Executive Officer, is a Senior Vice President and a director of One Liberty, a Senior Vice President and director of the managing general partner of Gould Investors and, a member of a limited liability company which is the other general partner of Gould Investors. Matthew J. Gould, a director and our Senior Vice President, is the Chairman of the Board of Directors of One Liberty, Chairman of the Board of the managing general partner of Gould Investors and serves as director of a trust that is a member of a limited liability company which is the other general partner of Gould Investors. He is also an executive officer of Majestic Property. David W. Kalish, Isaac Kalish and Mark H. Lundy, each of whom is an executive officer of our company, are executive officers of One Liberty Properties and of the managing general partner of Gould Investors. Messrs. D. Kalish and Lundy are also officers of Majestic Property. David W. Kalish is the father of Isaac Kalish.

One Liberty is a real estate investment trust listed on the New York Stock Exchange that is engaged in the ownership of a diversified portfolio of income-producing real properties that are net leased to tenants. Gould Investors is a limited partnership that owns and operates a diversified portfolio of real estate and invests in other companies active in the real estate and finance industries. Gould Investors currently beneficially owns approximately 16.1% of our outstanding shares of common stock.

Related Party Transactions

Our 2020 and 2021 Equity Awards and Equity Incentive Awards

The grant date fair value of the equity awards (*i.e*., restricted stock in 2020 and 2021 and RSUs in 2021) granted in 2020 and 2021, respectively, are as follows: Fredric H. Gould— $200,022 and $735,107; Steven Rosenzweig— $62,681 and $391,658; Mark H. Lundy—$228,429 and $664,936; Israel Rosenzweig—$53,340 and $414,764; Isaac Kalish –$155,394 and $540,254; and Alon Rosenzweig—$152,775 and $439,478. The grant date fair value of these awards was calculated in the manner described in note 4 of the Summary Compensation Table and excludes, with respect to the RSUs, the effect of the peer group adjustment. These amounts reflect our accounting expense for these awards and do not correspond to the actual value, if, any that may be realized by these individuals.

Services

For performing Services in 2020 and 2021, the following executive officers or directors received, and it is anticipated will receive for performing Services in 2022, respectively, the compensation indicated: Fredric H. Gould, $210,000, $210,000 and $210,000; Steven Rosenzweig, $268,700, $268,700 and $298,147; Isaac Kalish, $273,525, $273,525 and $287,201; Israel Rosenzweig, $60,800, $60,800 and $63,840; Mark H. Lundy, $110,250, $110,250 and $110,250. See *"Executive Compensation—General"* and, for information regarding named executive officers compensated for performing Services, see *"Executive Compensation—Summary Compensation Table."*

Shared Services Agreement

We and certain related entities, including Gould Investors, One Liberty Properties, and Majestic Property Management, occupy common office space and share certain services and personnel in common. The allocation of these general and administrative expenses among these entities is computed in accordance with a shared services agreement based on the estimated time devoted by executive, administrative and clerical personnel to the affairs of each participating entity to such agreement. In 2020 and 2021, the amount of general and administrative expenses allocated to us represents approximately 21.7% and 21.3%, respectively, of the total expenses allocated to all entities which are parties to the shared services agreement. Specifically, in 2020 and

2021, we paid $761,000 and $641,000, respectively, for common general and administrative expenses, including telecommunication services, computer services, bookkeeping, secretarial and other clerical services and legal and accounting services. Other than the executive officers identified in the Summary Compensation Table, Isaac Kalish and Steven Rosenzweig were the only executive officers engaged by us on a part-time basis in 2020 and 2021whose salary, bonus and benefits allocated to us in either of such years exceeded $120,000. The amounts allocated to us in 2020 and 2021 for the services of Isaac Kalish were $152,080 and $113,889, respectively and Steven Rosenzweig were $311,010 and $268,234, respectively.

We obtain certain insurance (primarily property insurance) with Gould Investors and its affiliates and in 2020 and 2021, we reimbursed Gould Investors $39,000 and $61,000 respectively, for our share of insurance premiums.

Majestic Property

Majestic Property, which is wholly-owned by Fredric H. Gould, provides real property management services, real estate brokerage, and construction supervision services for us and affiliated entities, as well as companies that are non-affiliated entities. In 2020 and 2021, we paid Majestic Property fees of $33,000 and 31,000, respectively, representing, in the aggregate, less than 1.0% of the revenues of Majestic Property for each such period. Each of Fredric H. Gould, Jeffrey A. Gould, Matthew J. Gould, David W. Kalish, Mark H. Lundy, Israel Rosenzweig, Steven Rosenzweig, and Isaac Kalish received compensation from Majestic Property for such periods, which compensation is not included in the Summary Compensation Table. The fees paid by us to Majestic Property and the expenses reimbursed to Gould Investors under the shared services agreement were reviewed by our audit committee. These individuals also receive compensation from other entities wholly-owned by Fredric H. Gould and parties to the shared services agreement, none of which provided services to us or received compensation from us in 2020 or 2021.

Miscellaneous

Alon Rosenzweig received compensation of $435,790 and $723,997 in 2020 and 2021, respectively (including $209,449 and $208,559 in base salary for 2020 and 2021, respectively, bonuses of $24,700 and $27,000 for 2020 and 2021, respectively, which were paid in 2021 and 2022, respectively, and $152,775 and $439,478 for 2020 and 2021, respectively, of awards of restricted stock and RSUs) and participated in the welfare and other benefit plans generally made available to our employees.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(Proposal 2)

General

The audit committee and the board of directors is seeking ratification of the appointment of Ernst &Young LLP (''E&Y''), as our independent registered public accounting firm for 2022. A representative of E&Y is expected to be present at our annual meeting and will have the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

We are not required to have our stockholders ratify the selection of E&Y as our independent registered public accounting firm. We are doing so because we believe it is good corporate practice. If the stockholders do not ratify the selection, the audit committee will reconsider whether to retain E&Y, but may, in its discretion, decide to retain such firm. Even if the selection is ratified, the audit committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in our interest.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2022.

Audit and Other Fees

The following table presents, except as otherwise indicated, fees (including expenses) for E&Y's services in 2021 and 2020:

	2021	2020[2]
Audit fees[1]	$582,079	$488,500
Audit-related fees	—	—
Tax fees	17,000	16,480
All other fees	—	—
Total fees	$599,079	$504,980

(1) Includes fees for the audit of our annual consolidated financial statements, the review of the consolidated financial statements included in our quarterly reports on Form 10-Q and for services rendered in connection with a registration statement filed with the SEC.

(2) The fees of our prior auditor, BDO USA, LLP (''BDO''), for the portion of 2020 in which it served as our independent auditor, are omitted. See *'' – Change in Auditors.''*

Approval Policy for Audit and Non-Audit Services

The audit committee annually reviews and approves the retention of our independent registered public accounting firm for each fiscal year and the audit of our financial statements for such fiscal year, including the fee associated with the audit. In addition, the audit committee approves the provision of tax related and other non-audit services. Any fees for the audit and any fees for non-audit services in excess of those approved by the audit committee must receive the prior approval of the audit committee.

Proposals for any non-audit services to be performed by our independent registered public accounting firm must be approved in advance by the audit committee.

For 2021, the audit committee pre-approved all of the audit, tax and non-audit services rendered by our independent registered public accounting firm.

Change in Auditors

On June 18, 2020, we dismissed BDO as our independent registered public accounting firm and retained E&Y as our new independent registered public accounting firm. These decisions were approved by our audit committee.

BDO's reports on our consolidated financial statements for the fiscal years ended December 31, 2019 and September 30, 2018 (the ''Applicable Fiscal Years''), did not contain an adverse opinion or a disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope or accounting principles, except that BDO, in its report dated May 15, 2020 included in our Annual Report on Form 10-K for the year ended December 31, 2019 (the ''2019 Annual Report''), issued an adverse opinion (the ''Adverse Opinion'') on the effectiveness of our internal controls over financial reporting due to our failure to design and maintain effective internal controls over the accounting for real estate ventures in accordance with Accounting Standards Codification Topic 810 (''Consolidation'') (the ''Consolidation Standard'').

During the Applicable Fiscal Years and the subsequent interim period through June 18, 2020, there were no (i) disagreements (as such term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) with BDO on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of BDO, would have caused BDO to make a reference thereto in its reports on our consolidated financial statements for such periods nor (ii) reportable events (as such term is defined in Item 304(a)(1)(v) of Regulation S-K), other than the Adverse Opinion and the disagreement with BDO described below.

With respect to the disagreement with BDO, we had, for several years (other than the year ended December 31, 2019), presented most of our non-wholly owned multi-family real estate ventures (the ''Ventures'') in our financial statements on a consolidated basis, as opposed to the equity method of accounting, and BDO had issued unqualified audit opinions on such financial statements. Prior to the filing of our 2019 Annual Report, we and BDO discussed whether the Ventures satisfied the Consolidation Requirements or should be presented as equity method investments. We determined that three of the Ventures should not be presented on a consolidated basis and sought guidance from the Office of the Chief Accountant of the SEC with respect to whether the remaining Ventures satisfied the Consolidation Standard. Based on the guidance we received from the SEC, and with BDO's concurrence, on May 15, 2020, we filed reports (including the 2019 Annual Report) with the SEC, which restated certain prior period financial statements to present the accounts and operations of all of the Ventures on an unconsolidated basis as equity method investments.

Our audit committee discussed with BDO the financial statement presentation to be afforded to our Ventures and we have authorized BDO to respond fully to the inquiries of E&Y concerning the subject matter of this disagreement.

We provided BDO with a copy of the disclosure we are making in this proxy statement. BDO previously furnished to us a letter addressed to the SEC stating whether it agrees with the statements made in the Form 8-K filed by us on June 24, 2020 (the ''Current Report''). A copy of BDO's letter is attached as Exhibit 16.1 to the Current Report.

During the Applicable Fiscal Years and the subsequent interim periods through June 23, 2020, neither we nor anyone on our behalf consulted E&Y on (i) the application of accounting principles to a specified transaction, either completed or proposed, or on the type of audit opinion that might be rendered on our consolidated financial statements, or (ii) any matter that was either the subject of a disagreement or a reportable event.

REPORT OF THE AUDIT COMMITTEE

The information contained in this Report of the Audit Committee shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing (except to the extent that we specifically incorporate this information by reference) and shall not otherwise be deemed ''soliciting material'' or ''filed'' with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act (except to the extent that we specifically incorporate this information by reference).

The role of the audit committee is to, among other things, select and engage our independent registered public accounting firm and to oversee and monitor our financial reporting process, the independence and performance of the independent registered public accounting firm and the functioning of our internal controls. It is management's responsibility to prepare financial statements in accordance with generally accepted accounting principles and for the independent registered public accounting firm to perform an independent audit of the financial statements and to express an opinion on the conformity of those financial statements with generally accepted accounting principles.

In performing its duties, the audit committee:

- reviewed and discussed our audited consolidated financial statements for the year ended December 31, 2021 (the ''Audited Financial Statements'') with management and E&Y;
- discussed with E&Y the matters required to be discussed by the Public Company Accounting Oversight Board (the ''PCAOB'');
- received from E&Y the written disclosures and the letter from E&Y regarding E&Y's independence required by the applicable requirements of the PCAOB, and discussed with such firm its independence; and
- based on the reviews and discussions referred to above, the audit committee recommended that the Audited Financial Statements be included in its Annual Report on Form 10-K for the year ended December 31, 2021 for filing with the SEC.

Louis C. Grassi (Chairman)
Gary Hurand
Elie Weiss

BRT APARTMENTS CORP. 2022 INCENTIVE PLAN
(PROPOSAL 3)

Highlights of the Plan

Set forth below are some of the highlights of the Plan:

- Options, restricted stock, restricted stock units, and performance based awards may be granted to acquire up to an aggregate of 1,000,000 shares of common stock and dividend equivalent rights may be granted in tandem with RSUs and certain other performance based awards;
- A non-management director may not be granted awards with respect to more than 10,000 shares in any year;
- Options may not be granted at an exercise price per share that is less than 100% of the fair market value per share on the date of the grant;
- Participants may not be granted more than 100,000 shares in any year pursuant to each type of award other than with respect to stock options as to which no more than 50,000 shares may be granted in each year;
- Provides for a default two-year cliff vesting schedule; and we anticipate that, consistent with past practice, new awards of restricted stock and RSUs will be subject to five-year and three-year cliff vesting, respectively, and, for RSUs, satisfaction of market and/or performance conditions;
- No default ‘‘single-trigger’’ vesting of awards; and
- Without stockholder approval, we will not (i) reprice, replace or regrant, an outstanding option either in connection with the cancellation of such option or by amending an award agreement to lower the exercise price of such option, (ii) cancel outstanding options in exchange for cash or other awards; and (iii) repurchase outstanding unvested restricted stock or unvested RSUs in exchange for cash.

General

The Board has approved, subject to stockholder approval, the adoption of the BRT Apartments Corp. 2022 Incentive Plan. The Board believes that granting equity based compensation is an important component of our compensation structure. The purpose of the Plan is to motivate, retain and attract employees, officers and directors of experience and ability and to further our financial success by aligning the interests of participants in the Plan, through the ownership of shares of common stock, with the interests of our stockholders.

As of the close of business on the record date, an aggregate of 1,144,717 shares of restricted stock and shares subject to RSUs (*i.e*., 934,342 shares of restricted stock and 210,375 shares subject to RSUs, including 23,375 shares subject to the peer group adjustment) issued pursuant to the Prior Plans are outstanding. Approximately 20% of the outstanding restricted stock granted under the Prior Plans vests annually in approximately equal amounts (*i.e*., each award of restricted stock vests, with specified exceptions, five years after the grant) and, subject to satisfaction of performance and/or market based conditions, the shares subject to RSUs granted under the 2020 Plan vest in 2024. See ‘‘*Executive Compensation – Long-Term Equity and Long-Term Equity Incentive Awards” and “Executive Compensation – Outstanding Equity Awards at Fiscal Year End.”* There are 314,128 shares available to be awarded pursuant to our 2020 Incentive Plan, which we refer to as the 2020 Plan, and if stockholders adopt the Plan, **no further awards will be made under the 2020 Plan.** The closing price of a share of our common stock on the New York Stock Exchange on April 13, 2022 was $23.44.

The following summary of major features of the Plan is qualified in its entirety by reference to the actual text of the Plan, set forth as Annex A.

Shares Subject to the Plan

The total number of shares available for grant under the Plan will not exceed 1,000,000 shares. The Plan authorizes the discretionary grant of (i) incentive stock options intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended, which we refer to as the ‘‘Code’’, (ii) non-qualified stock options, (iii) restricted stock, (iv) restricted stock units, (v) dividend equivalent rights and (vi) performance-based awards. The shares available for issuance under the Plan will be authorized but unissued common shares. Shares related to awards that are forfeited, cancelled, terminated or expire unexercised will be available for grant under the Plan. Neither shares tendered by a participant to pay the exercise price of an award, nor any shares withheld by us for taxes, will be available for future grants under the Plan. In the event of a stock dividend or stock split affecting our shares, the number of shares issuable and issued under the Plan and the number of shares covered by and the exercise price and other terms of outstanding awards will be adjusted proportionally or as otherwise determined by the compensation committee.

Administration of the Plan

The Plan will be administered by our compensation committee which, to the extent deemed necessary by the Board, will consist of two or more persons who satisfy the requirements for a "non-employee director" under Rule 16(b) under the Exchange Act. The compensation committee has authority to administer and construe the Plan in accordance with its provisions, including the power to (a) determine persons eligible for awards, (b) prescribe the terms and conditions of awards granted under the Plan, (c) adopt rules for the administration, interpretation and application of the Plan which are consistent with the Plan and (d) establish, interpret, amend or revoke any such rules. A non-management director may not be granted awards with respect to more than 10,000 shares in any calendar year.

Options

Stock options entitle the holder to purchase a specified number of shares at a specified exercise price subject to the terms and conditions of the option grant. The purchase price per share for each stock option is determined by the compensation committee, but must be at least 100% of the fair market value per share on the date of grant. The aggregate fair market value of shares with respect to which incentive stock options are exercisable for the first time by an individual during any calendar year cannot exceed $100,000. To the extent that the fair market value of shares with respect to which incentive stock options become exercisable for the first time during any calendar year exceeds $100,000, the portion in excess of $100,000 will be treated as a non-qualified option. Options granted under the Plan may be exercisable for a term up to ten years. If a participant owns more than 10% of the total voting power of all classes of our shares at the time the participant is granted an incentive stock option, the purchase price per share for such option cannot be less than 110% of the fair market value per share on the date of grant and the term of such option cannot exceed five years.

Restricted Stock and RSUs

Restricted stock are shares that may not be sold, transferred, gifted, bequeathed, pledged, assigned or otherwise disposed of until the end of a specified restriction period. Restricted stock units, or RSUs, represent the right, upon satisfaction of specified conditions, to receive shares and are subject to the same restrictions on transferability applicable to restricted stock. RSUs and shares of restricted stock will be issued at the beginning of the restriction period and the compensation committee shall set restrictions and other conditions applicable to the vesting of such award, including restrictions based on the achievement of specific performance goals, time based restrictions or any other basis determined by the compensation committee.

Generally, recipients of restricted stock have the right to vote such shares and to receive and retain cash dividends and other distributions, if any, paid thereon. Recipients of RSUs are not entitled to dividends (except to the extent a dividend equivalent right is granted in tandem with an RSU) or vote with respect to the underlying shares until such units vest. Recipients of these awards will not be entitled to delivery of the stock certificate (or its equivalent) representing the shares until the applicable restrictions have been satisfied. The Plan provides that except as otherwise determined by the compensation committee, shares of restricted stock will vest in full on the second anniversary of the date of grant, subject to the recipient's continued service with us, or upon the recipient's earlier death, disability or retirement. Restricted stock or RSUs that do not vest as provided in the applicable award agreement will be forfeited and the recipient of such award will not have any rights after such forfeiture with respect to such award other than, with respect to shares of restricted stock, to retain dividends paid prior thereto.

Dividend Equivalent Rights

The Plan allows the compensation committee to grant dividend equivalents rights in tandem with the grant of RSUs and performance based awards (other than restricted stock and options). These rights entitle the holder to receive an amount of cash equal to the cash distributions that would have been paid on shares underlying the award to which such right relates, as if such shares were outstanding during the period beginning with the grant date (or if otherwise determined by the compensation committee, the beginning of the performance cycle) of the award to which such dividend equivalent right relates through the vesting date (or if otherwise determined by the compensation committee, the conclusion of the performance cycle) of such award. Dividend equivalents rights will only vest to the extent the related award vests.

Performance Based Awards

Performance based awards will be made by the issuance of RSUs or other awards, or a combination thereof, contingent upon the attainment, as established by the compensation committee, of one or more performance goals (described below) over a specified period. The maximum number of shares with respect to which a participant may be granted performance based awards in any calendar year is 100,000 shares.

The terms and conditions of a performance based award will provide for the vesting of the award to be contingent upon the achievement of one or more specified performance goals that the compensation committee establishes. For this purpose, ''performance goals'' means, for a performance cycle, the specific goals that the compensation committee establishes that may be based on one or more of the following performance criteria:

- pre-tax income,
- after-tax income,
- net income (meaning net income as reflected in our financial reports for the applicable period),
- operating income (including net operating income),
- any one or more of cash flow, cash flow from operations, and free cash flow,
- return on any one or more of equity, capital, invested capital and assets,
- funds available for distribution,
- occupancy rate at any one or more of our properties,
- total stockholder return,
- funds from operations (''FFO''), as computed in accordance with standards established by the National Association of Real Estate Investment Trusts,
- adjusted FFO (*i.e.*, adjusting FFO to give effect to any one or more of the following: straight-line rent, amortization of lease tangibles, lease termination fee income, amortization of restricted stock or other non-cash compensation expense, amortization and/or write-off of deferred financing costs, deferred mortgage and debt prepayment costs),
- stock appreciation (meaning an increase in the price or value of the shares after the date of grant of an award and during the applicable period),
- gains and/or losses on property sales,
- revenues,
- assets,
- earnings before any one or more of the following items: interest, taxes, impairment charges, depreciation or amortization for the applicable period, as reflected in our financial reports for the applicable period,
- reduction in expense levels,
- operating cost management and employee productivity,
- strategic business criteria consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, cost targets and goals relating to acquisition or divestitures,
- achievement of business or operational goals such as market share and/or business development; and
- such other metrics or criteria as the compensation committee may establish or select.

The performance goals need not be the same with respect to all participants and may be in the aggregate or on a per share basis (whether diluted or undiluted), may be based on an absolute or relative basis, may be based on our performance compared to the performance of businesses or indices specified by the compensation committee, may be compared to any prior period, may be based on a company-wide basis or in respect of any one or more business units, may be adjusted for non-controlling interests, and any one or more of the foregoing.

Amendment and Termination of the Plan

No awards may be made under the Plan on or after the tenth anniversary of the Plan's effective date. Our Board may amend, suspend or terminate the Plan at any time for any reason provided that no amendment, suspension or termination may impair rights or obligations under any outstanding award without the participant's consent or violate the Plan's prohibition on repricing (*i.e.*, the replacing or regranting of an option in connection with the cancellation of the option or by amending an award agreement to lower the exercise price of an option or the cancellation of any award in exchange for cash). The stockholders must approve any amendment: (i) if such approval is required under applicable law or stock exchange requirements; or (ii) that changes the no-repricing provisions of the Plan.

Clawbacks; Compliance with Laws; Compliance with REIT Requirements

The grant of awards and the issuance of shares under the Plan is subject to all applicable laws, rules and regulations, approvals by governmental and quasi-governmental authorities and the applicable provisions of any claw-back policy implemented by us, whether implemented prior to or after the grant of such award.

If a recipient's relationship with us is terminated for cause (*e.g.*, insubordination, dishonesty, incompetence, moral turpitude, the refusal to perform such person's duties and responsibilities and other misconduct, as determined by the compensation committee), then (i) all options (except to the extent exercised) immediately terminate and (ii) the recipient's rights to all restricted stock, RSUs and performance share awards (except to the extent such awards have vested) are forfeited immediately.

Awards are not exercisable if such award or its exercise could cause the participant to be in violation of any restrictions on ownership and transfer of our securities, or if, in the discretion of the compensation committee, such award could otherwise impair our status as a real estate investment trust under the Code.

Change in Control

The Plan does not provide for the automatic vesting of awards upon a change in control of the Company. If the compensation committee determines that a change in control has occurred, such committee and the board of directors or other managing body of the surviving or acquiring entity may make appropriate provisions for the continuation or assumption of outstanding awards granted pursuant to the Plan, or may provide for the acceleration of vesting with respect to existing awards.

Federal Income Tax Consequences

The federal tax rules applicable to awards granted under the Plan are summarized below. This summary omits the tax laws of any municipality, state, or foreign country in which a recipient resides.

Stock option grants under the Plan may be intended to qualify as incentive stock options under Section 422 of the Code or may be non-qualified stock options governed by Section 83 of the Code. Generally, federal income tax is not due from a recipient upon the grant of a stock option, and a deduction is not taken by us. Under current tax laws, if a recipient exercises a non-qualified stock option, he or she will have taxable income equal to the difference between the market price of the common shares on the exercise date and the stock option exercise price. We are entitled to a corresponding deduction on our income tax return.

A recipient will not have any taxable income upon exercising an incentive stock option (except that the alternative minimum tax may apply), and we will not receive a deduction when an incentive stock option is exercised. The tax treatment of a disposition of shares acquired through the exercise of a stock option depends on how long the shares were held and whether the shares were acquired by exercising an incentive stock option or a non-qualified stock option. We may be entitled to a deduction in the case of a disposition of shares acquired under an incentive stock option before the applicable holding periods have been satisfied.

Generally, taxes are not due from the recipient or owed by us when a grant of restricted stock, RSUs or performance based awards is initially made (unless the recipient of a restricted stock award makes an election under Section 83(b) of the Code in which case it is taxed at the time of grant), but the award becomes taxable when it is no longer subject to a ''substantial risk of forfeiture'' (*i.e*., it becomes vested or transferable), in the case of restricted stock, or when shares are issuable in connection with vesting, in the case of an RSU or performance based award. Except with respect to awards for which a Section 83(b) election is made, income tax is paid on the value of the stock units or awards at ordinary rates when the restrictions lapse, and then at capital gain rates on any additional appreciation when the shares are sold (if the applicable holding period has been satisfied). Generally, we will be entitled to a deduction equal to the amount of ordinary income recognized by the recipient at the time the recipient recognizes such income for tax purposes.

The grant of dividend equivalents rights generally will have no federal income tax consequences for the recipient. Generally, the recipient will recognize ordinary income on the amount distributed to the recipient pursuant to such dividend equivalent rights. Generally, we will be entitled to a deduction equal to the amount of ordinary income recognized by the recipient at the time the recipient recognizes such income for tax purposes.

Section 409A of the Code:

- affects taxation of awards to employees but does not affect our ability to deduct deferred compensation,
- does not apply to incentive stock options, non-qualified stock options (that are not discounted), and restricted stock, provided that there is no deferral of income beyond the vesting date and
- applies to RSUs, dividend equivalent rights and performance units, if payment or settlement is deferred beyond the ''short-term deferral period'' under the Section 409A regulations.

New Plan Benefits Table

We have not determined the type, amount or recipients of awards under the 2022 Plan. Accordingly, we provide the following table which reflects the awards granted in 2021 pursuant to the 2020 Plan to the persons and groups indicated as if such grants were made pursuant to the 2022 Plan. These awards were in the form of restricted stock that vest on a ''cliff-vesting'' basis five years after grant and RSUs that vest after three years subject to the achievement of market and/or performance goals. See *''Executive Compensation –Grant of Plan Based Awards*'' for additional information regarding the equity awards granted in 2021.

Name and Position	Dollar Value(1)	Number of Units(1)
Jeffrey A. Gould, President and Chief Executive Office	1,167,161	48,652
Mitchell Gould, Executive Vice President	667,786	27,836
George Zweier, Chief Financial Officer and Vice President	636,599	26,536
David W. Kalish, Senior Vice President – Finance	891,564	37,164
Matthew J. Gould, Vice Chairman	1,167,161	48,652
Executive group (11 individuals)	9,249,488	385,556
Non-executive director group (7 individuals)	575,760	24,000
Non-executive officer and employee group (30 individuals)	2,254,292	93,968

(1) Reflects the number of units multiplied by $23.99, the closing price of our common stock on December 31, 2021. Does not give effect to the peer group adjustment.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE IN FAVOR OF THE PROPOSAL TO ADOPT THE BRT APARTMENTS CORP. 2022 INCENTIVE PLAN.

ADDITIONAL INFORMATION AND NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

As of the date of this proxy statement, we do not know of any business that will be presented for consideration at the meeting other than the items referred to in the Notice of the Meeting. Subject to applicable law, if any other matter is properly brought before the meeting for action by stockholders, the holders of the proxies will vote and act with respect to the business in accordance with their best judgment and discretionary authority to do so is conferred by the enclosed proxy. Our Conduct Code, corporate governance guidelines and the charters for our audit, compensation and nominating committees are available under the ''Corporate Governance'' tab at www.brtapartments.com.

This proxy statement (including the notice of meeting), the proxy card and our Annual Report are available at www.brtapartments.com/annualmeetingmaterials.pdf.

By order of the Board of Directors

S. Asher Gaffney,
Corporate Secretary

ANNEX A

BRT APARTMENTS CORP.
2022 INCENTIVE PLAN

SECTION 1
EFFECTIVE DATE AND PURPOSE

1.1 *Effective Date*. This Plan (as defined) shall become effective upon approval by the stockholders of the Company (as defined), as and to the extent required by the listing requirements of the New York Stock Exchange.

1.2 *Purpose of the Plan*. The Plan is designed to motivate, retain and attract Participants (as defined) of experience and ability and to further the financial success of the Company by aligning the interests of Participants through the ownership of Shares (as defined) with the interests of the Company's stockholders.

SECTION 2
DEFINITIONS

The following terms shall have the following meanings (whether used in the singular or plural) unless a different meaning is plainly required by the context:

"*1934 Act*" means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the 1934 Act or a regulation thereunder shall include any regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

"*Affiliate*" or "*Affiliates*" has the meaning ascribed to such term by Rule 501 promulgated under the Securities Act of 1933, as amended.

"*Award*" means, individually or collectively, a grant under the Plan of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights and Performance Share Awards.

"*Award Agreement*" means either (1) the written agreement setting forth the terms and provisions applicable to each Award granted under the Plan or (2) a statement (including an electronic communication) issued by the Company to a Participant describing the terms and provisions of such Award.

"*Board*" or "*Board of Directors*" means the Board of Directors of the Company, or any analogous governing body of any successor to the Company.

"Change in Control" means any of the following:

(i) the acquisition (other than from the Company) in one or more transactions by any person (as such term is used in Section 13(d) of the 1934 Act) of the beneficial ownership (within the meaning of Rule 13d-3 under the 1934 Act) of 25% or more of (A) the then outstanding Shares or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the *"Company Voting Stock"*); *provided, however,* the provision of this clause (i) is not applicable to acquisitions made individually, or as a group, by Fredric H. Gould, Matthew J. Gould and Jeffrey A. Gould, and their respective spouses, lineal descendants and Affiliates;

(ii) individuals who, as of the date of the Award, constitute the Board of Directors (the *"Incumbent Board"*) cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the date of such Award whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Regulation 14A promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board;

(iii) the closing of a sale or other conveyance of all or substantially all of the assets of the Company outside the ordinary course of the Company's business; or

(iv) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company if immediately after such transaction persons who hold a majority of the outstanding voting securities entitled to vote generally in the election of directors of the surviving entity (or the entity owning 100% of such surviving entity) are not persons who, immediately prior to such transaction, held the Company's voting Shares.

Notwithstanding the foregoing, if the term ''Change in Control'' is being used in a context where it is required to meet the definition of such term under Section 409A of the Code, then a ''Change in Control'' shall not be deemed to have occurred under the foregoing definition unless the transaction or occurrence constitutes a change in control for purposes of Section 409A of the Code.

The Board shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a ''change in control event'' as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

''*Code*'' means the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder.

''*Committee*'' means the Compensation Committee of the Board or any other committee of the Board appointed to administer the Plan.

''*Company*'' means BRT Apartments Corp., a Maryland corporation.

''*Company Voting Stock*'' has the meaning ascribed to such term under the definition of Change in Control.

''*Disability*'' or ''*Disabled*'' means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

''*Dividend Equivalent Right*'' means an Award granted pursuant to Section 9, entitling the Participant to receive an amount of cash equal to the cash distributions that would have been paid on the Shares specified in the Award to which such Dividend Equivalent Right relates, as if such Shares had been issued to and held by the Participant holding such Dividend Equivalent Right during the period beginning with the grant date (or if otherwise determined by the Committee, the beginning of the Performance Cycle) of the Award to which the Dividend Equivalent Right relates through the vesting date of such award (or if otherwise determined by the Committee, the conclusion of such Performance Cycle).

''*Exercise Price*'' means the price at which a Share may be purchased by a Participant pursuant to the exercise of an Option.

''*Fair Market Value*'' means, as of any given date: (i) the closing sales price of the Shares on any national securities exchange on which the Shares are listed; (ii) the closing sales price if the Shares are listed on the OTCBB or other over the counter market; or (iii) if there is no regular public trading market for such Shares, the fair market value of the Shares as determined by the Committee.

''*Grant Date*'' means, with respect to an Award, the effective date that such Award is granted to a Participant.

''*Incentive Stock Option*'' means an Option to purchase Shares which is designated as an Incentive Stock Option and is intended to meet the requirements of Section 422 of the Code.

''*Incumbent Board*'' has the meaning ascribed to such term under the definition of Change in Control.

''*Non-management director*'' means a director who, in the applicable calendar year, was not compensated, directly or indirectly, by the Company, any Subsidiary or any of their Affiliates, other than compensation for service as a director or as a member of any committee of the Board.

''*Non-qualified Stock Option*'' means an Option to purchase Shares which is not an Incentive Stock Option.

''*Option*'' means an Incentive Stock Option or a Nonqualified Stock Option.

''*Participant*'' means an officer, employee, director or consultant of the Company or any of its Subsidiaries.

“*Performance-Based Award*” means an Award granted pursuant to Section 8 of the Plan.

“*Performance Criteria*” shall mean any, a combination of, or all of the following: (i) pre-tax income, (ii) after-tax income, (iii) net income (meaning net income as reflected in the Company’s financial reports for the applicable period), (iv) operating income (including net operating income), (v) cash flow, cash flow from operations, free cash flow and any one or more of the foregoing, (vi) return on any one or more of equity, capital, invested capital and assets, (vii) funds available for distribution, (viii) occupancy rate at any one or more of the Company’s or its Subsidiaries’ properties, (ix) total stockholder return, (x) funds from operations (“FFO”), as computed in accordance with standards established by the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”), (xi) adjusted FFO (*i.e*., adjusting FFO to give effect to any one or more of the following: straight-line rent, amortization of lease intangibles, lease termination fee income, amortization of restricted stock or other non-cash compensation expense, amortization and/or write-off of deferred financing costs, deferred mortgage costs and debt prepayment costs), (xii) stock appreciation (meaning an increase in the price or value of the Shares after the date of grant of an award and during the applicable period), (xiii) revenues, (xiv) assets, (xv) earnings before any one or more of the following items: interest, taxes, impairment charges, depreciation or amortization for the applicable period, as reflected in the Company’s financial reports for the applicable period, (xvi) gains or losses on sales of properties, (xvii) reduction in expense levels, (xviii) operating cost management and employee productivity, (xix) strategic business criteria consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, cost targets and goals relating to acquisition or divestitures; (xx) achievement of business or operational goals such as market share and/or business development, and (xxi) such other metrics or criteria as the Committee may establish or select. Performance Criteria need not be the same with respect to all Participants and may be established on an aggregate or per share basis (diluted or undiluted), may be based on performance compared to performance by businesses or indices specified by the Committee, may be compared to any prior period, may be based on a company-wide basis or in respect of any one or more business units, may be measured on an absolute or relative basis, may be adjusted for non-controlling interests, and any one or more of the foregoing. All calculations and financial accounting matters relevant to this Plan shall be determined in accordance with GAAP, except as otherwise directed by the Committee.

“*Performance Cycle*” means one or more periods of time which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participants right to and the payment of a Restricted Stock Award, Restricted Stock Unit, Option or Performance Share Award.

“*Performance Goals*” means for a Performance Cycle, the applicable Performance Criteria.

“*Period of Restriction*” means the period during which an Award granted hereunder is subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of Performance Goals or the occurrence of other events as determined by the Committee.

“*Plan*” means the BRT Apartments Corp. 2022 Incentive Plan, as set forth in this instrument, and as hereafter amended from time to time.

“*Restricted Stock*” means an Award of Shares, the grant, issuance, retention and/or vesting of which is subject to such conditions as are expressed in the Award Agreement and as contemplated herein.

“*Restricted Stock Unit*” or “*RSU*” means an Award of a right to receive one Share, the grant, issuance, retention and/or vesting of which is subject to such conditions as are expressed in the Award Agreement and as contemplated herein.

“*Retirement*” means (i) a director who has attained the age of 65 years who resigns or retires from the Board or does not stand for re-election to the Board and has served continuously as a director of the Company for not less than six consecutive years, and (ii) an officer or employee of, or consultant to, the Company or one of its Subsidiaries who has attained the age of 65 years who resigns or retires from the Company or one of its Subsidiaries and has served in any such capacity with the Company or one of its Subsidiaries for not less than ten consecutive years at the time of retirement or resignation.

“*Shares*” means the shares of common stock, $0.01 par value per share, of the Company, or any other security of the Company determined by the Committee pursuant to Section 5.3.

"*Subsidiary*" means (i) a corporation, association or other business entity of which 50% or more of the total combined voting power of all classes of capital stock is owned, directly or indirectly, by the Company or by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company, (ii) any partnership or limited liability company of which 50% or more of the capital and profit interests is owned, directly or indirectly, by the Company or by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company, or (iii) any other entity not described in clauses (i) or (ii) above of which 50% or more of the ownership and the power, pursuant to a written contract or agreement, to direct the policies and management or the financial and the other affairs thereof, are owned or controlled by the Company or by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company.

SECTION 3
ELIGIBILITY

3.1 *Participants*. Awards may be granted in the discretion of the Committee to officers, employees, directors of, or consultants to the Company or its Subsidiaries.

3.2 *Non-Uniformity*. Awards granted hereunder need not be uniform among eligible Participants and may reflect distinctions based on title, compensation, responsibility or any other factor the Committee deems appropriate.

SECTION 4
ADMINISTRATION

4.1 *The Committee*. The Plan will be administered by the Committee, which, to the extent deemed necessary by the Board, will consist of two or more persons who satisfy the requirements for a "non-employee director" under Rule 16b-3 promulgated under the 1934 Act. The members of the Committee shall be appointed from time to time by, and shall serve at the pleasure of, the Board of Directors. In the absence of such appointment, the Board of Directors shall serve as the Committee and shall have all of the responsibilities, duties, and authority of the Committee set forth herein.

4.2 *Authority of the Committee*. Subject to applicable law, the Committee shall have the exclusive authority to administer and construe the Plan in accordance with its provisions. The Committee's authority shall include, without limitation, the power to (a) determine persons eligible for Awards, (b) prescribe the terms and conditions of the Awards, (c) construe and interpret the Plan, the Awards and any Award Agreement, (d) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, (e) establish, interpret, amend or revoke any such rules, and (f) in its sole discretion, provide for acceleration of vesting, exercisability or payment of any Award, including but not limited to in connection with a Change in Control. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more officers of the Company to the extent permitted by law.

4.3 *Decisions Binding*. All determinations and decisions made by the Committee and any of its delegates pursuant to Section 4.2 shall be final, conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

4.4 *Limitation on Awards Granted to Non-management directors*. The maximum number of Shares issuable pursuant to Awards that may be granted to a Non-management director in any calendar year shall not exceed 10,000 Shares.

SECTION 5
SHARES SUBJECT TO THE PLAN

5.1 *Number of Shares*. Subject to adjustment as provided in Section 5.3, the total number of Shares available for grant under the Plan shall not exceed 1,000,000 Shares. The Shares available for issuance under the Plan shall be authorized but unissued Shares of the Company.

5.2 *Lapsed Awards*. Unless determined otherwise by the Committee, Shares related to Awards that are forfeited, cancelled, terminated or expire unexercised, shall be available for grant under the Plan. Shares that are tendered by a Participant to the Company in connection with the exercise of an Award, withheld from issuance in connection with a Participant's payment of tax withholding liability, or settled in such other manner so that a portion or all of the Shares included in an Award are not issued to a Participant shall not be available for grant under the Plan.

5.3 *Adjustments in Awards and Authorized Shares*. In the event of a stock dividend or stock split, the number of Shares subject to the Plan, outstanding Awards and the numerical amounts set forth in Sections 5, 6, 7 and 8 shall automatically be adjusted proportionally, except to the extent directed otherwise by the Committee. In the event of a merger, reorganization, consolidation, recapitalization, separation, liquidation, combination or other similar change in the structure of the Company affecting the Shares, the Committee shall adjust the number and class of Shares which may be delivered under the Plan, the number, class and price of Shares subject to outstanding Awards, and the numerical limits of Sections 5, 6, 7 and 8, proportionally, or in such other manner as the Committee shall determine to be advisable or appropriate. Any such numerical limitations shall be subject to adjustment under this Section only to the extent such adjustment will not affect the ability to grant or the qualification of Incentive Stock Options under the Plan or subject the Participant to taxes, penalties and interest imposed under section 409A(a)(1) of the Code.

5.4 *Restrictions on Transferability*. The Committee may impose such restrictions on any Award, Award of Shares or Shares acquired pursuant to an Award as it deems advisable or appropriate, including, but not limited to, restrictions related to applicable Federal securities laws, the requirements of any national securities exchange or system upon which Shares are then listed or traded, and any blue sky or state securities laws.

SECTION 6
STOCK OPTIONS

6.1 *Grant of Options*. Subject to the terms and provisions of the Plan, Options may be granted to Participants at any time and from time to time as determined by the Committee. The Committee shall determine the number of Shares subject to each Option. The Committee may grant Incentive Stock Options, Nonqualified Stock Options, or any combination thereof. The maximum aggregate number of Shares underlying Options granted in any one calendar year to an individual Participant is 50,000.

6.2 *Award Agreement*. Each Option shall be evidenced by an Award Agreement that shall specify the Exercise Price, the expiration date of the Option, the number of Shares to which the Option pertains, whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option, any conditions on exercise of the Option and such other terms and conditions as the Committee shall determine, including terms regarding forfeiture of Awards or continued exercisability of Awards in the event of a Change in Control or termination of employment by the Participant.

6.3 *Exercise Price*. The Exercise Price for each Option shall be determined by the Committee and shall be provided in each Award Agreement; *provided*, *however*, the Exercise Price for each Option may not be less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date. In the case of an Incentive Stock Option, the Exercise Price shall be not less than one hundred ten percent (110%) of the Fair Market Value of a Share if the Participant (together with persons whose stock ownership is attributed to the Participant pursuant to section 424(d) of the Code) owns on the Grant Date stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries.

6.4 *Expiration of Options*. Except as provided in Section 6.7(c) regarding Incentive Stock Options, each Option shall terminate upon the earliest to occur of (i) the date(s) for termination of the Option set forth in the Award Agreement or (ii) the expiration of ten (10) years from the Grant Date. Subject to such limits, the Committee shall provide in each Award Agreement when each Option expires and becomes un-exercisable. Except as set forth in an Award Agreement or as provided by the Committee, upon Retirement of a Participant, an Option may be exercised by such Participant to the extent it was exercisable on the effective date of the Retirement and shall be exercisable for a period of six months from the effective date of such Retirement, but not later than the expiration of the maximum term such Option. The Committee may not, after an Option is granted, extend the maximum term of the Option.

6.5 *Exercisability of Options*. Options granted under the Plan shall be exercisable, in whole or in part, at such times and be subject to such restrictions and conditions as the Committee shall determine. After an Option is granted, the Committee may accelerate or waive any condition constituting a substantial risk of forfeiture applicable to the Option.

6.6 *Payment*. Options shall be exercised by a Participant's delivery of a written notice of exercise to the Secretary of the Company (or his or her designee), setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. Upon the exercise of an Option, the Exercise Price shall be payable to the Company in full in cash or its equivalent. The Committee may permit exercise (a) by the Participant tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price, (b) the Participant tendering a combination of cash and previously acquired Shares equal to total Exercise Price (the Shares tendered being valued at Fair Market Value at the time of exercise), or (c) by any other means which the Committee determines to provide legal consideration for the Shares, and to be consistent with the purposes of the Plan. As soon as practicable after receipt of a written notification of exercise and full payment for the Shares purchased, the Company shall deliver, or cause to be delivered, to the Participant, evidence of such Participant's ownership of such Shares. No right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares as to which the Option has been exercised until the records of the Company or its transfer agent reflect the issuance of such Shares. No adjustment will be made for a dividend or other rights for which a record date is established prior to the date the records of the Company or its transfer agent reflect the issuance of the Shares upon exercise of the Options.

6.7 *Certain Additional Provisions for Incentive Stock Options*.

(a) *Exercisability*. The aggregate Fair Market Value (determined on the Grant Date(s)) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company, any parent and its Subsidiaries) shall not exceed $100,000. The portion of the Option which is in excess of the $100,000 limitation shall be treated as a Non-Qualified Option pursuant to Section 422(d)(1) of the Code.

(b) *Company and Subsidiaries Only*. Incentive Stock Options may be granted only to Participants who are officers or other employees of the Company or a Subsidiary on the Grant Date.

(c) *Expiration*. No Incentive Stock Option may be exercised after the expiration of ten (10) years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Participant who (together with persons whose stock ownership is attributed to the Participant pursuant to Section 424(d) of the Code) owns on the Grant Date stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the term of such Incentive Stock Option shall be no more than five years from the Grant Date.

6.8 *Restriction on Transfer*. Except as otherwise determined by the Committee or as set forth in the Award Agreement, no Option may be transferred, gifted, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily. Upon the death or Disability of a Participant, an Option may be exercised by the duly appointed personal representative of the deceased Participant or in the event of a Disability by the Participant or the duly appointed attorney-in-fact, guardian or custodian of the Disabled Participant to the extent the Option was exercisable on the date of death or the date of Disability and shall be exercisable for a period of six months from the date of death or the date of Disability.

6.9 *Repricing of Options*. Without stockholder approval, (i) the Company will not reprice, replace or regrant an outstanding Option either in connection with the cancellation of such Option or by amending an Award Agreement to lower the exercise price of such Option, and (ii) the Company will not cancel outstanding Options in exchange for cash or other Awards.

6.10 *Voting Rights*. A Participant shall have no voting rights with respect to any Options granted hereunder.

SECTION 7
RESTRICTED STOCK AND RESTRICTED STOCK UNITS

7.1 *Grant of Restricted Stock and Restricted Stock Units*. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or RSUs to Participants in such amounts as the Committee shall determine. The Committee shall determine the number of Shares of Restricted Stock and/or RSUs to be granted to each Participant and the time when each Award shall be granted. No more than 100,000 Shares of each of Restricted Stock and Shares underlying RSUs may be granted to any individual Participant in any one calendar year.

7.2 *Restricted Stock and RSU Agreements*. Each Award of Restricted Stock and RSUs shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares of Restricted Stock granted, the number of Shares subject to an RSU, any applicable Performance Goals and Performance Cycle, and such other terms and conditions as the Committee shall determine, including terms regarding forfeiture of Awards in the event of termination of employment by the Participant or termination of the Participant's relationship with the Company as a director, officer or consultant.

7.3 *Transferability*. Except as otherwise determined by the Committee or as set forth in the Award Agreement, Shares of Restricted Stock and RSUs (including Shares underlying RSUs) may not be sold, transferred, gifted, bequeathed, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily, until the end of the applicable Period of Restriction and the satisfaction, in whole or in part, of any applicable Performance Goals within the applicable Performance Cycle. Without stockholder approval, the Company will not, except as otherwise provided for in the Plan, repurchase outstanding unvested Restricted Stock or unvested RSUs in exchange for cash.

7.4 *Other Restrictions*. The Committee may impose such other restrictions on Shares of Restricted Stock and RSUs (including Shares underlying RSUs) as it may deem advisable or appropriate in accordance with this Section 7.4.

(a) *General Restrictions*. The Committee may set one or more restrictions based upon (a) the achievement of specific Performance Goals, (b) applicable Federal or state securities laws, (c) time-based restrictions, or (d) any other restrictions determined by the Committee, including the occurrence of a Change in Control. Unless otherwise provided in an Award Agreement, the Period of Restriction shall be two (2) year cliff vesting period, with accelerated full vesting upon death, Disability or Retirement.

(b) *Methods of Implementing Restrictions*. The Committee may take such action as it, in its sole discretion, deems appropriate to give notice to the Participant of, and implement, the restrictions imposed pursuant to Section 7.

7.5 *Removal of Restrictions*. After the end of the Period of Restriction, the Shares (including the Shares underlying the RSUs) shall be freely transferable by the Participant, subject to any other restrictions on transfer (including without limitation, limitations imposed pursuant to the Company's organizational documents) which may apply to such Shares.

7.6 *Voting Rights*. Participants holding (a) Shares of Restricted Stock shall have voting rights during the Period of Restriction and (b) RSUs shall not have voting rights during the Period of Restriction.

7.7 *Dividends and Other Distributions*. Except as otherwise determined by the Committee and set forth in the Award Agreement, Participants holding (a) Shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to the Shares during the Period of Restriction and (b) except to the extent a Dividend Equivalent Right is granted in tandem with an RSU, RSUs shall not be entitled to receive any dividends or other distributions paid with respect to the underlying Shares during the Period of Restriction.

SECTION 8
PERFORMANCE-BASED AWARDS

8.1 *Performance-Based Awards.* Participants selected by the Committee may be granted one or more Performance Awards in the form of Options, Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights or Performance Share Awards payable upon the attainment of Performance Goals that are established by the Committee and related to one or more of the Performance Criteria, in each case on a specified date or dates or over a Performance Cycle as determined by the Committee. The Committee shall define the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of an individual. The Committee, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Cycle in order to prevent the dilution or enlargement of the rights of an individual (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development, (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions;

provided, however, that the Committee may not exercise such discretion in a manner that would increase the Performance-Based Award granted to a Participant. Performance Awards, other than Dividend Equivalent Rights, shall be paid in Shares.

8.2 *Grant of Performance-Based Awards*. With respect to each Performance-Based Award granted to a Participant, the Committee shall select, within the first 180 days of the beginning of a Performance Cycle, the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including, if applicable, a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Committee may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Participants.

8.3 *Payment of Performance-Based Awards*. Following the completion of a Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle.

8.4 *Maximum Award Payable*. The maximum Performance-Based Award payable to any one Participant under the Plan for a Performance Cycle is 100,000 Shares (subject to adjustment as provided in Section 5.3 hereof).

SECTION 9
DIVIDEND EQUIVALENT RIGHTS

9.1 *Dividend Equivalent-Rights.* A Dividend Equivalent Right may be granted hereunder to any Participant only in tandem with an Award of RSUs or a Performance Based Award (other than an Award of Restricted Stock or Options). The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement which shall provide that such Dividend Equivalent Right shall (i) not be sold, transferred, gifted, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily (provided, that if permitted by the Committee, a Participant may designate a beneficiary to receive any proceeds of Dividend Equivalent Rights upon the Participant's death), and (ii) be settled upon settlement or payment of, or lapse of restrictions on, the Award to which it relates, and such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such Award.

SECTION 10
AMENDMENT, TERMINATION, AND DURATION

10.1 *Amendment, Suspension, or Termination*. The Board, in its sole discretion, may amend, suspend or terminate the Plan, or any part thereof, at any time and for any reason; *provided*, *however*, that if and to the extent required by law or to maintain the Plan's compliance with the Code, the rules of any national securities exchange (if applicable), or any other applicable law, any such amendment shall be subject to stockholder approval. The amendment, suspension or termination of the Plan shall not, without the consent of the Participant, alter or impair any rights or obligations under any Award theretofore granted to such Participant. No Award may be granted during any period of suspension or after termination of the Plan.

10.2 *Duration of the Plan*. The Plan shall become effective in accordance with Section 1.1, and subject to Section 10.1, shall remain in effect until the tenth anniversary of the effective date of the Plan.

SECTION 11
TAX WITHHOLDING

11.1 *Withholding Requirements*. Prior to the delivery of any Shares pursuant to an Award (or the exercise thereof), the Company shall have the power and the right to deduct or withhold from any amounts due to the Participant from the Company, or require a Participant to remit to the Company, an amount sufficient to satisfy Federal, state and local taxes (including the Participant's FICA obligation) required or appropriate to be withheld with respect to such Award (or the exercise or vesting thereof).

11.2 *Withholding Arrangements*. The Company, pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part, by (a) electing to have the Company withhold otherwise deliverable Shares, or (b) delivering to the Company, Shares then owned by the Participant. The amount of the withholding requirement shall be deemed to include any amount that the Company agrees may be withheld at the time any such election is made, not to exceed the amount determined by using the maximum federal, state and local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered shall be determined as of the date that the taxes are required to be withheld.

SECTION 12
MISCELLANEOUS

12.1 *Deferrals*. To the extent consistent with the requirements of section 409A of the Code, the Committee may provide in an Award Agreement or another document that a Participant is permitted or required to defer receipt of the delivery of Shares that would otherwise be due to such Participant under an Award, other than an Option, any such deferral shall be subject to such rules and procedures as shall be determined by the Committee.

12.2 *Termination for Cause*. If a Participant's employment or relationship with the Company or a Subsidiary shall be terminated for cause by the Company or such Subsidiary during the Restriction Period or prior to the exercise of any Option (for these purposes, cause shall have the meaning ascribed thereto in any employment agreement or Award Agreement to which such Participant is a party or, in the absence thereof, shall include, but not be limited to, insubordination, dishonesty, incompetence, moral turpitude, the refusal to perform his duties and responsibilities for any reason (other than illness or incapacity) and other misconduct of any kind, as determined by the Committee), then, (i) all Options (whether or not then vested and exercisable) shall immediately terminate and (ii) such Participant's rights to all Restricted Stock, RSUs, Dividend Equivalent Rights and Performance Share Awards shall be forfeited immediately.

12.3 *No Effect on Employment or Service; Types of Service Recognized*. Nothing in the Plan, any Award or any Award Agreement, and no action of the Committee, shall confer or be construed to confer on any Participant any right to continue in the employ or service of the Company or any Subsidiary or shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment or service at any time, with or without cause. Employment with the Company or any Subsidiary is on an at-will basis only, unless otherwise provided by an applicable employment or service agreement between the Participant and the Company or any Subsidiary, as the case may be. Except as set forth in the following sentence, for purposes of the Plan and any Award, service as an employee, officer, director or consultant shall be recognized; references in the Plan and any Award Agreement to employment shall be construed more broadly to refer to service as an employee, officer, director or consultant. Notwithstanding the preceding sentence, for purposes of Incentive Stock Options, references in the Plan or any Award Agreement to employment shall be construed as referring only to employment, and not to other forms of service.

12.4 *Successors*. All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect merger, consolidation or otherwise, or the purchase of all or substantially all of the business or assets of the Company.

12.5 *No Rights as Stockholder*. Except to the limited extent provided in Sections 7.6 and 7.7, no Participant (nor any beneficiary thereof) shall have any of the rights or privileges of a stockholder of the Company with respect to any Shares issuable pursuant to an Award (or the exercise or vesting thereof), unless and until the issuance of such Shares shall have been recorded on the records of the Company or its transfer agents or registrars.

12.6 *Uncertificated Shares*. Notwithstanding any provision of the Plan to the contrary, the ownership of Shares issued under the Plan may be evidenced in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or the issuance of one or more share certificates, and to the extent that the Plan, applicable law or the Company's organizational documents, require or contemplate the imposition of a legend or other notation on one or more certificates evidencing Shares or an Award, the Committee shall have the sole discretion to determine the manner in which such legend or notation is implemented.

12.7 *Fractional Shares*. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, or Awards, or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

12.8 *Severability*. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

12.9 *Requirements of Law; Claw-Back Policies*. The grant of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required from time to time, and shall be subject to the applicable provisions of any claw-back policy implemented by the Company, whether implemented prior to or after the grant of such Award, including without limitation, any claw-back policy adopted to comply with the requirements of applicable law (including the requirements of a national securities exchange).

12.10 *Securities Law Compliance*. To the extent any provision of the Plan, Award Agreement or action by the Committee fails to comply with any applicable federal or state securities law, it shall be deemed null and void, to the extent permitted by law and deemed advisable or appropriate by the Committee.

12.11 *Real Estate Investment Trust*. No Award shall be granted or awarded and, with respect to any Award granted under the Plan, such Award shall not vest, be exercisable or be settled, to the extent that the grant, vesting, exercise or settlement of such Award could cause the Participant or any other person to be in violation of any restrictions on ownership and transfer of the Company's securities set forth in its articles of incorporation or other governing instrument or organizational documents, as amended, and in effect from time to time, or if, in the discretion of the Committee, the grant, vesting, exercise or settlement of such award could otherwise impair the Company's status as a real estate investment trust under the Code.

12.12 *Governing Law*. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Maryland and applicable federal law.

12.13 *Captions*. Captions are provided herein for convenience of reference only, and shall not serve as a basis for interpretation or construction of the Plan.

12.14 *Section 409A of the Code.*

(a) General. The Company intends that all Awards be structured to comply with, or be exempt from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply. Notwithstanding anything in the Plan or any Award Agreement to the contrary, the Committee may, without a Participant's consent, amend this Plan or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and retroactive actions) as are necessary or appropriate to preserve the intended tax treatment of Awards, including any such actions intended to (i) exempt this Plan or any Award from Section 409A, or (ii) comply with Section 409A, including regulations, guidance, compliance programs and other interpretative authority that may be issued after an Award's grant date. The Company makes no representations or warranties as to an Award's tax treatment under Section 409A or otherwise. The Company will have no obligation under this Section 12.14 or otherwise to avoid the taxes, penalties or interest under Section 409A with respect to any Award and will have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute noncompliant "nonqualified deferred compensation" subject to taxes, penalties or interest under Section 409A.

(b) Separation from Service. If an Award constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award upon a termination of a Participant's employment or other service provider relationship will, to the extent necessary to avoid taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or after the termination of the Participant's employment or other service provider relationship. For purposes of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms means a "separation from service."

(c) Payments to Specified Employees. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" required to be made under an Award to a "specified employee" (as defined under Section 409A and as the Committee determines) due to his or her "separation from service" will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such "separation from service" (or, if earlier, until the specified employee's death) and will instead be paid (as set forth in the Award Agreement) on the day immediately following such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award payable more than six months following the Participant's "separation from service" will be paid at the time or times the payments are otherwise scheduled to be made. Furthermore, notwithstanding any contrary provision of the Plan or any Award Agreement, any payment of "nonqualified deferred compensation" under the Plan that may be made in installments shall be treated as a right to receive a series of separate and distinct payments.

12.15. *Section 280G of the Code.* Notwithstanding any provision of this Plan to the contrary, if any payment or benefit that a Participant would otherwise receive from the Company pursuant to an Award under the Plan or otherwise (a "Payment") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code and (b) but for this paragraph, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment will be equal to the Reduced Amount (as defined below). The "Reduced Amount" will be either (1) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (2) the entire Payment, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Participant's receipt, on an after-tax basis, of the greatest amount of the Payment. If a reduction is to be made, the Payment or Payments to which reduction will apply will based on the date as of which the Payment is due, starting with the Payment due latest. In no event will the Company be liable to a Participant for any amounts not paid as a result of the operation of this paragraph (other than for the Company's obligations to pay the Reduced Amount or the entire Payment, as applicable). The Company makes no representation that any or all of the payments or benefits described in the Plan will be exempt from the Excise Tax, and the Participant shall be responsible for payment of any Excise Tax (if applicable).

0

BRT APARTMENTS CORP.

PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS

June 8, 2022

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Mark H. Lundy and Asher Gaffney, and each of them, as proxies for the undersigned, each with the power to act without the other and with the power appoint his substitute, and hereby authorizes them to attend the Annual Meeting of Stockholders of BRT Apartments Corp., a Maryland corporation (the "Company"), to be held on June 8, 2022 at 9:00 AM New York City time, and any adjournments or postponements thereof, and to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at such meeting and otherwise to represent the undersigned at the meeting with all powers possessed by the undersigned if personally present at the meeting. The undersigned hereby acknowledges receipt of the Notice of such meeting and of the accompanying Proxy Statement, the terms of each of which are incorporated by reference, and revokes any proxy heretofore given with respect to such meeting.

(Continued and to be signed on the reverse side)

ANNUAL MEETING OF STOCKHOLDERS OF

BRT APARTMENTS CORP.

June 8, 2022

GO GREEN

e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
The Notice of Meeting, Proxy Statement, Proxy Card and 2021 Annual Report to Stockholders are available at www.brtapartments.com/annualmeetingmaterials.pdf

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

↓ Please detach along perforated line and mail in the envelope provided. ↓

00000333333030000000 0 060822

The Board of Directors recommends a vote "FOR" all nominees listed below and "FOR" proposals 2 and 3.
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

1. Election of five Directors, as described more fully in the accompanying proxy statement.

NOMINEES:

	FOR	AGAINST	ABSTAIN
Carol Cicero	☐	☐	☐
Matthew J. Gould	☐	☐	☐
Louis C. Grassi	☐	☐	☐
Israel Rosenzweig	☐	☐	☐
Jeffrey Rubin	☐	☐	☐
2. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2022.	☐	☐	☐
3. A proposal to approve the Company's 2022 Incentive Plan.	☐	☐	☐

4. The proxies are authorized to vote in their discretion upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

This Proxy, when properly executed, will be voted in the manner directed above. If no direction is made, this Proxy will be voted FOR all nominees named in the accompanying proxy statement and FOR proposals 2 and 3. If any nominee named in this Proxy is unable or unwilling to serve as a director, this Proxy will be voted FOR any other nominee designated by the Board of Directors. You are encouraged to specify your choices by marking the appropriate boxes, but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations. The Proxies cannot vote your shares unless you sign, date and return this card.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ☐

Signature of Stockholder ____________ Date: ________ Signature of Stockholder ____________ Date: ________

Note: Please sign exactly as your name or names appear on this Proxy and insert the date. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

ANNUAL MEETING OF STOCKHOLDERS OF

BRT APARTMENTS CORP.

June 8, 2022

PROXY VOTING INSTRUCTIONS

INTERNET - Access "**www.voteproxy.com**" and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.

TELEPHONE - Call toll-free **1-800-PROXIES** (1-800-776-9437) in the United States or **1-718-921-8500** from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call.

Vote online/phone until 11:59 PM New York City time the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Annual Meeting.

GO GREEN - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

COMPANY NUMBER	
ACCOUNT NUMBER	

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
The Notice of Meeting, Proxy Statement, Proxy Card and 2021 Annual Report to Stockholders are available at www.brtapartments.com/annualmeetingmaterials.pdf

↓ Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone, in person or the Internet. ↓

00000333333030000000 0 060822

The Board of Directors recommends a vote "FOR" all nominees listed below and "FOR" proposals 2 and 3.
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

1. Election of five Directors, as described more fully in the accompanying proxy statement.

NOMINEES:

	FOR	AGAINST	ABSTAIN
Carol Cicero	☐	☐	☐
Matthew J. Gould	☐	☐	☐
Louis C. Grassi	☐	☐	☐
Israel Rosenzweig	☐	☐	☐
Jeffrey Rubin	☐	☐	☐
2. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2022.	☐	☐	☐
3. A proposal to approve the Company's 2022 Incentive Plan.	☐	☐	☐

4. **The proxies are authorized to vote in their discretion upon such other business as may properly come before the meeting or any adjournment or postponement thereof.**

This Proxy, when properly executed, will be voted in the manner directed above. If no direction is made, this Proxy will be voted FOR all nominees named in the accompanying proxy statement and FOR proposals 2 and 3. If any nominee named in this Proxy is unable or unwilling to serve as a director, this Proxy will be voted FOR any other nominee designated by the Board of Directors. You are encouraged to specify your choices by marking the appropriate boxes, but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations. The Proxies cannot vote your shares unless you sign, date and return this card.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ☐

Signature of Stockholder ____________ Date: ________ Signature of Stockholder ____________ Date: ________

Note: Please sign exactly as your name or names appear on this Proxy and insert the date. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.