

RNY Property Trust



For the Period Ended 31 December 2013
Supplemental Operating and Financial Data

28 February 2014

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Certain statements herein relate to the Trust's future performance ("forward looking statements"). Although RNY Australia Management Limited believes such statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which principal tenants compete; financial condition of tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels and changes in credit ratings and changes in the cost of and access to capital.

Corporate Information

Corporate Profile

RNY Property Trust (the “Trust” or “RNY”) (ASX: RNY) is the first Australian listed property trust with the primary strategy of investing in well-located office properties within the New York Tri-State area of the United States. The listing of the Trust followed the successful Initial Public Offer (IPO) in September 2005 which raised A\$263.4 million. The fully paid issue price was A\$1.00 per unit, payable in two installments: an initial payment of A\$0.65 per unit and a final installment of A\$0.35 per unit, which was paid in October 2006.

Proceeds from the IPO were used to acquire a 75 per cent indirect interest in a portfolio of 25 suburban office properties, from Reckson Associates Realty Corp. (“Reckson”), for approximately US\$422 million (approximately A\$550 million). Reckson retained a 25 per cent indirect interest in these properties. On 25 January 2007, Reckson was merged into SL Green Realty Corp., at which time an affiliate of RXR Realty LLC (“RXR”) acquired Reckson’s interest in the portfolio.

RXR is a private enterprise founded by former members of Reckson management. RXR is a vertically integrated private real estate company with expertise in investment management, property management, development, design, construction, leasing, financing and asset management. RXR is one of the largest owners, managers, and developers in the New York Tri-State Area with interests in approximately \$6.8 billion in assets, comprised of 86 operating properties containing approximately 17.1 million square feet.

The RNY properties were acquired in three separate tranches. The first tranche, consisting of 17 properties, was completed in September of 2005. Three additional properties were acquired in the second tranche, completed in January of 2006. On 23 June 2006, one of the properties acquired in the first tranche was sold. The final five properties were acquired in October 2006, in conjunction with the final installment on the Units.

On 26 June 2007, RNY acquired a 121,000 square foot building located at 1155 Railroad Avenue, Bridgeport, Connecticut for US\$3.4 million. The property was sold to a user in August 2012 for a gross sales price of US\$1.5 million, with RNY providing purchase money financing (the “PM Note”) of US\$1.125 million. Monthly payments of principal and interest are due on the PM Note, which is secured by the building and which matures on 1 September 2016.

On 3 July 2013, RNY completed a restructuring of a US\$51.5 million CMBS loan (the “CMBS Loan”) which matured in October 2010. Such CMBS Loan consisted of a US\$31.5 million A-note (the “A-note”) and a US\$20 million B-note (the “B-note”), and was collateralized by three properties (the “Properties”) valued at US\$37.4 million at 31 December 2013.

As part of such restructuring, ownership of the Properties was transferred to a newly-formed joint-venture (the “JV”) with the owner of the B-note. The B-note owner contributed its US\$20 million B-note and cash to the JV in return for an approximate 92.2% ownership interest in such JV. RNY contributed US\$500,000 to the JV in exchange for an approximate 7.8% ownership interest in such JV. As a result, the JV owns the Properties, which remain encumbered by the A-note. The former B-note owner will act as the managing member of such JV, while the RNY will continue to operate the Properties.

RNY is managed by RNY Australia Management Limited (“RAML”), an Australian licensed responsible entity which is an affiliate of RXR. Other affiliates of RXR serve as property manager, leasing agent, asset manager, and construction manager and provide other services to the properties in the Trust portfolio.

Corporate Headquarters

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Reporting Schedule

Half Year Results	Early August
Full Year Results	Late February

Debt Summary at 31 December 2013

(US Dollars in thousands)

Debt Maturity Schedule

Year	Mortgages Due at Maturity
2014	
2015	
2016	72,000
2017	197,051
Total Debt	\$269,051

Mortgage Detail

Property	Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
200 Broadhollow Road, Melville, NY	7,710	5.32%	January, 2016	interest only
55 Charles Lindbergh Blvd., Uniondale, NY	13,260	5.32%	January, 2016	interest only
10 Rooney Circle, West Orange, NJ	7,500	5.32%	January, 2016	interest only
555 White Plains Road, Tarrytown, NY	10,520	5.32%	January, 2016	interest only
560 White Plains Road, Tarrytown, NY	10,030	5.32%	January, 2016	interest only
6800 Jericho Turnpike, Syosset, NY	15,550	5.32%	January, 2016	interest only
6900 Jericho Turnpike, Syosset, NY	7,430	5.32%	January, 2016	interest only
300 Executive Drive, West Orange, NJ	7,542	6.13%	January, 2017	25
505 White Plains Road, Tarrytown, NY	776	6.13%	January, 2017	25
580 White Plains Road, Tarrytown, NY	7,918	6.13%	January, 2017	25
300 Motor Parkway, Hauppauge, NY	2,861	6.13%	January, 2017	25
710 Bridgeport Avenue, Shelton, CT	21,771	6.13%	January, 2017	25
35 Pinelawn Road, Melville, NY	9,384	5.28%	May, 2017	30
150 Motor Parkway, Hauppauge, NY	16,079	5.28%	May, 2017	30
660 White Plains Road, Tarrytown, NY	19,395	5.28%	May, 2017	30
100 Executive Drive, West Orange, NJ	5,818	5.28%	May, 2017	30
100 Grasslands Road, Elmsford, NY	5,818	5.28%	May, 2017	30
80 Grasslands Road, Elmsford, NY	8,884	5.28%	May, 2017	30
200 Executive Drive, West Orange, NJ	6,131	5.28%	May, 2017	30
492 River Road, Nutley, NJ	23,649	5.28%	May, 2017	30
225 Highridge Road, Stamford, CT	25,025	5.28%	May, 2017	30
35 Pinelawn Road, Melville, NY	2,811	13.00%	May, 2017	interest only
150 Motor Parkway, Hauppauge, NY	4,816	13.00%	May, 2017	interest only
660 White Plains Road, Tarrytown, NY	5,809	13.00%	May, 2017	interest only
100 Executive Drive, West Orange, NJ	1,743	13.00%	May, 2017	interest only
100 Grasslands Road, Elmsford, NY	1,743	13.00%	May, 2017	interest only
80 Grasslands Road, Elmsford, NY	2,661	13.00%	May, 2017	interest only
200 Executive Drive, West Orange, NJ	1,837	13.00%	May, 2017	interest only
492 River Road, Nutley, NJ	7,084	13.00%	May, 2017	interest only
225 Highridge Road, Stamford, CT	7,496	13.00%	May, 2017	interest only
Total/Weighted Average	\$269,051	6.45%	2.9 years	

BRE/Melville Joint-Venture Mortgage Detail

Property	Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
520 Broadhollow Road, Melville, NY ⁽¹⁾	6,311	5.20%	October, 2014 ⁽²⁾	interest only
1660 Walt Whitman Road, Melville, NY ⁽¹⁾	6,054	5.20%	October, 2014 ⁽²⁾	interest only
50 Marcus Drive, Melville, NY ⁽¹⁾	15,036	5.20%	October, 2014 ⁽²⁾	interest only
Total	\$27,401	5.20%	0.8 years	

(1) The US LLC has an approximate 7.8% ownership interest in the property

(2) The maturity date can be extended for two years pending certain reserve requirements

Same Property Performance ⁽¹⁾

For the 6 month period ended 31 December 2013 vs. 31 December 2012

(In thousands)

Regional Breakdown

	Cash Revenue ⁽²⁾			
	2H 13	2H 12	\$ Change	% Change
Connecticut	\$5,714	\$5,541	\$173 ⁽³⁾	3.1%
Long Island	9,722	10,615	(893) ⁽⁴⁾	(8.4%)
New Jersey	5,118	5,166	(48)	(0.9%)
Westchester	9,642	9,180	462 ⁽⁵⁾	5.0%
Total	\$30,197	\$30,502	(\$306)	(1.0%)

	Cash Operating Expenses ⁽⁶⁾			
	2H 13	2H 12	\$ Change	% Change
Connecticut	\$1,623	\$1,625	(\$2)	(0.1%)
Long Island	2,928	2,780	147 ⁽⁷⁾	5.3%
New Jersey	1,303	1,219	85	6.9%
Westchester	3,220	3,004	216 ⁽⁸⁾	7.2%
Total	\$9,074	\$8,628	\$446	5.2%

	Real Estate Taxes			
	2H 13	2H 12	\$ Change	% Change
Connecticut	\$664	\$757	(\$92) ⁽⁹⁾	(12.2%)
Long Island	2,239	2,238	1	0.1%
New Jersey	1,071	1,208	(137) ⁽¹⁰⁾	(11.3%)
Westchester	1,777	1,869	(92) ⁽¹¹⁾	(4.9%)
Total	\$5,752	\$6,072	(\$320)	(5.3%)

	Cash NOI			
	2H 13	2H 12	\$ Change	% Change
Connecticut	\$3,426	\$3,159	\$267	8.5%
Long Island	4,555	5,597	(1,042)	(18.6%)
New Jersey	2,744	2,739	5	0.2%
Westchester	4,645	4,307	338	7.9%
Total	\$15,371	\$15,802	(\$432)	(2.7%)

(1) Excludes BRE/Melville JV assets.

(2) Includes contract rent, recovery income, and reserves. Excludes other base rents and other operating receipts.

(3) Primarily related to the burn off of free rent and the reduction in real estate tax recovery as a result of a successful tax cert at 225 High Ridge Road, offset by an increase in gas reimbursement at 710 Bridgeport Avenue.

(4) Primarily related to the free rent period for Liberty Mutual and NYS Teachers at 150 Motor Parkway, the early termination of United Abstract (15,011 SF) at 300 Motor Parkway, and the contractions and expirations (12,136 SF) at 6800 Jericho Turnpike and (8,377 SF) at 6900 Jericho Turnpike.

(5) Primarily related to the new lease with TZ Constructors at 555 White Plains Road (30,780 SF) and the burn off of free rent for Xerox expansion space at 580 White Plains Road and Prestige Brands at 660 White Plains Road.

(6) Excludes management fees, marketing expense, and property level G&A.

(7) Primarily related to an increase in electric expense at 200 Broadhollow Road & 6800 Jericho Tpke and repairs and maintenance at 6800 & 6900 Jericho Tpke.

(8) Primarily related to an increase in electric expense at 580, 660 and 555 White Plains Road.

(9) Primarily related to a successful tax cert at 225 High Ridge Road.

(10) Primarily related to a successful tax cert at 100 Executive Drive.

(11) Primarily related to a successful tax cert at 660 White Plains Road.

Same Property Performance ⁽¹⁾

For the 12 month period ended 31 December 2013 vs. 31 December 2012

(In thousands)

Regional Breakdown

	Cash Revenue ⁽²⁾			
	2013	2012	\$ Change	% Change
Connecticut	\$11,376	\$11,046	\$331 ⁽³⁾	3.0%
Long Island	20,170	21,012	(843) ⁽⁴⁾	(4.0%)
New Jersey	10,238	10,468	(230) ⁽⁵⁾	(2.2%)
Westchester	18,370	18,425	(55)	(0.3%)
Total	\$60,154	\$60,950	(\$796)	(1.3%)

	Cash Operating Expenses ⁽⁶⁾			
	2013	2012	\$ Change	% Change
Connecticut	\$3,175	\$3,118	\$57	1.8%
Long Island	5,780	5,551	229 ⁽⁷⁾	4.1%
New Jersey	2,554	2,450	105 ⁽⁸⁾	4.3%
Westchester	6,120	6,038	82	1.4%
Total	\$17,629	\$17,156	\$473	2.8%

	Real Estate Taxes			
	2013	2012	\$ Change	% Change
Connecticut	\$1,421	\$1,546	(\$125) ⁽⁹⁾	(8.1%)
Long Island	4,509	4,462	47	1.1%
New Jersey	2,248	2,354	(106) ⁽¹⁰⁾	(4.5%)
Westchester	3,506	3,982	(476) ⁽¹¹⁾	(12.0%)
Total	\$11,685	\$12,345	(\$660)	(5.3%)

	Cash NOI			
	2013	2012	\$ Change	% Change
Connecticut	\$6,780	\$6,382	\$399	6.2%
Long Island	9,880	10,999	(1,119)	(10.2%)
New Jersey	5,436	5,665	(229)	(4.0%)
Westchester	8,744	8,405	340	4.0%
Total	\$30,841	\$31,450	(\$609)	(1.9%)

(1) Excludes BRE/Melville JV assets.

(2) Includes contract rent, recovery income, and reserves. Excludes other base rents and other operating receipts.

(3) Primarily related to the increase in rents for Synapse expansion and Nestle Waters new lease at 225 High Ridge Rd, and an increase in operating expense recovery and heating & gas reimbursement at 710 Bridgeport.

(4) Primarily related to the free rent at 300 Motor Parkway, the expiration of 13,070 SF at 6800 Jericho Turnpike and the expiration of 8,377 SF at 6900 Jericho Turnpike, offset by the burn off of free rent and base rent increases at 200 Broadhollow Road.

(5) Primarily related to the expiration of Patient Care (14,503 SF) at 100 Executive Drive.

(6) Excludes management fees, marketing expense, and property level G&A.

(7) Primarily related to an increase in electric expense at 35 Pinelawn Road & 200 Broadhollow Road, an increase to R&M at 35 Pinelawn Rd and 6800 Jericho Turnpike and an overall increase to insurance premiums.

(8) Primarily related to a contractual increase in Cleaning, overall increase to Insurance premiums and higher Electric expense as a result of expired fixed commodity contracts for all NJ properties.

(9) Primarily related to a successful tax cert at 225 High Ridge Road.

(10) Primarily related to a successful tax cert at 100 Executive Drive.

(11) Primarily related to a successful tax cert at 660 White Plains Road.

Occupancy Analysis

As of 31 December 2013

	# of Bldgs	Rentable Square Feet ⁽¹⁾	Occupancy As of 31/12/13	Occupancy As of 30/06/13	Occupancy As of 31/12/12	Rentable Sq. Ft. as a % of Portfolio	NOI as a % of Portfolio ⁽²⁾
Long Island							
Eastern Nassau							
6800 Jericho Turnpike		209,400	83.7%	84.8%	89.5%	7.0%	6.5%
6900 Jericho Turnpike		95,343	86.6%	86.6%	95.4%	3.2%	3.3%
Total Eastern Nassau	2	304,743	84.6%	85.4%	91.4%	10.2%	9.9%
Central Nassau							
55 Charles Lindbergh Boulevard		214,581	94.6%	100.0%	100.0%	7.2%	8.8%
Total Central Nassau	1	214,581	94.6%	100.0%	100.0%	7.2%	8.8%
Central Suffolk							
150 Vanderbilt Motor Parkway		184,175	74.6%	74.9%	74.9%	6.2%	7.0%
300 Vanderbilt Motor Parkway		59,383	53.7%	79.0%	79.0%	2.0%	1.1%
Total Central Suffolk	2	243,558	69.5%	75.9%	75.9%	8.2%	8.0%
Western Suffolk							
35 Pinelawn Road		110,914	75.9%	69.1%	74.3%	3.7%	2.7%
200 Broadhollow Road		68,616	84.3%	84.3%	84.3%	2.3%	2.8%
Total Western Suffolk	2	179,530	79.1%	74.9%	78.2%	6.0%	5.5%
Total Long Island	7	942,412	81.9%	84.3%	86.8%	31.6%	32.2%
New Jersey							
Rt. 23/GSP Corridor							
492 River Road		130,009	100.0%	100.0%	100.0%	4.4%	9.4%
Total Rt. 23/GSP Corridor	1	130,009	100.0%	100.0%	100.0%	4.4%	9.4%
Rt. 280 Corridor							
100 Executive Drive		93,011	69.6%	72.7%	52.7%	3.1%	1.8%
200 Executive Drive		106,327	52.4%	52.4%	56.8%	3.6%	1.4%
300 Executive Drive		125,440	73.3%	73.3%	75.9%	4.2%	3.9%
10 Rooney Circle		70,873	41.4%	41.4%	41.4%	2.4%	1.4%
Total Rt. 280 Corridor	4	395,651	61.1%	61.8%	59.1%	13.3%	8.5%
Total New Jersey	5	525,660	70.7%	71.3%	69.2%	17.6%	17.9%
Westchester							
Tarrytown							
505 White Plains Road		26,610	73.7%	70.8%	51.9%	0.9%	0.3%
555 White Plains Road		125,497	100.0%	100.0%	75.5%	4.2%	5.4%
560 White Plains Road		126,144	68.8%	69.7%	76.8%	4.2%	1.2%
580 White Plains Road		171,369	79.6%	82.1%	83.6%	5.7%	5.2%
660 White Plains Road		254,268	90.4%	92.7%	94.8%	8.5%	8.1%
Total Tarrytown	5	703,888	85.0%	86.5%	83.8%	23.6%	20.2%
Elmsford							
80 Grasslands Road		87,055	100.0%	100.0%	100.0%	2.9%	4.7%
100 Grasslands Road		47,720	100.0%	100.0%	100.0%	1.6%	3.1%
Total Standalone	2	134,775	100.0%	100.0%	100.0%	4.5%	7.9%
Total Westchester	7	838,663	87.4%	88.6%	86.4%	28.1%	28.1%
Connecticut							
Stamford							
225 Highridge Road		223,940	86.9%	85.0%	85.0%	7.5%	12.8%
710 Bridgeport Avenue		452,414	75.4%	75.4%	75.4%	15.2%	9.1%
Total Connecticut	2	676,354	79.2%	78.6%	78.6%	22.7%	21.8%
TOTAL PORTFOLIO	21	2,983,089	80.9%	81.9%	81.7%	100.0%	100.0%
BRE/Melville							
50 Marcus Drive		163,762	100.0%	100.0%	100.0%	49.5%	98.4%
1660 Walt Whitman Road		78,379	35.5%	35.5%	46.6%	23.7%	2.2%
520 Broadhollow Road		88,631	22.6%	22.6%	22.6%	26.8%	(0.7%)
Total BRE/Melville	3	330,772	64.0%	64.0%	66.6%	100.0%	100.0%

(1) Rentable square feet excludes amenity and storage space.

(2) NOI as a % of Portfolio represents the time period from 1 January 2013 through 31 December 2013.

Lease Activity

For the 6 Months Ending 31 December 2013

	Period Expirations				Leasing Activity									
	Non-Renewals		Short Term Leases/ Holdovers		New Leases		Renewal at Expiration		Early Renewal		Expansions		Total Portfolio	
	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF
<i>Office Properties</i>														
Long Island	2	13,599	1	1,300	3	9,163	2	2,720	4	8,181	-	-	9	20,064
New Jersey	-	-	2	9,114	-	-	1	29,372	-	-	-	-	1	29,372
Connecticut	-	-	-	-	1	6,096	-	-	-	-	-	-	1	6,096
Westchester	2	1,137	-	-	1	1,451	7	13,604	2	99,791	-	-	10	114,846
Total NYPT Portfolio	4	14,736	3	10,414	5	16,710	10	45,696	6	107,972	-	-	21	170,378
BRE/Melville	-	-	-	-	-	-	-	-	-	-	-	-	-	-

OUTSTANDING SHORT TERM LEASES / HOLDOVERS

	#	SF
Long Island Office	1	1,300
New Jersey Office	2	9,114
Total Office	3	10,414
BRE/Melville	-	-

EARLY TERMINATIONS FOR CURRENT PERIOD

	#	Terminated SF	Released SF	Vacant SF
Long Island Office	4	19,501	0	19,501
New Jersey Office	1	2,829	0	2,829
Connecticut Office	1	2,008	0	2,008
Westchester Office	2	4,409	0	4,409
Total Office	8	28,747	0	28,747
BRE/Melville	-	-	-	-

Definitions:

Early Termination: When a tenant vacates their space before contract lease end date. If tenant terminates part of their space, only the portion that has terminated is reflected.

Short Term Leases/Holdover: Any lease agreement less than 12 months.

Renewal: When an existing tenant renews space for 12 months or Longer.

Early Renewal: When an existing tenant renews their space 12 months prior to expiration and is renewing for 12 months or longer.

Expansion: When an existing tenant takes additional space, renews and takes additional space and early renews and takes additional space. Only the additional space is reflected.

Relocations: When a tenant "early terminates" to move to another space/building.

If the tenant relocates for less space and extends term for 12 months or longer, the amount of contraction is reflected in Early Terminations and the renewal space is reflected in Renewal. If the tenant relocates for additional space, whether or not term length is extended, the additional space only is reflected in Expansion.

Leasing Statistics

For the 6 months ended 31 December 2013

Executed Leases ⁽¹⁾

	<u># of Transactions</u>	<u>Total Sq. Ft.</u>	<u>Average Base Rent</u>	<u>Average Term (Years)</u>
<i>Office Properties</i>				
Long Island	8	17,146	\$24.41	5.2
Westchester	10	114,846	\$21.20	6.5
Connecticut	1	6,096	\$30.13	5.3
New Jersey	2	32,290	\$37.54	3.1
Total/Weighted Average	21	170,378	\$24.94	5.7
BRE/Melville	-	-	-	-

Same Space Statistics ⁽²⁾

	<u>Total Sq. Ft.</u>	<u>Average Rent</u>			<u>Base Rent</u>		
		<u>Expiring Rent</u>	<u>New Rent ⁽³⁾</u>	<u>% Change</u>	<u>Expiring Rent ⁽⁴⁾</u>	<u>New Rent ⁽³⁾⁽⁴⁾</u>	<u>% Change</u>
<i>Long Island</i>							
New	4,464	\$28.35	\$22.02	(22.3%)	\$32.59	\$21.50	(34.0%)
Renewal	6,115	\$23.17	\$24.40	5.3%	\$27.17	\$24.75	(8.9%)
Total/Weighted Average	10,579	\$25.36	\$23.39	(7.7%)	\$29.46	\$23.38	(20.6%)
<i>Westchester</i>							
Renewal	112,625	\$22.65	\$21.21	(6.3%)	\$24.13	\$20.09	(16.7%)
Total/Weighted Average	112,625	\$22.65	\$21.21	(6.3%)	\$24.13	\$20.09	(16.7%)
<i>New Jersey</i>							
Renewal	32,290	\$30.48	\$37.37	22.6%	\$34.46	\$36.25	5.2%
Total/Weighted Average	32,290	\$30.48	\$37.37	22.6%	\$34.46	\$36.25	5.2%
Total/Weighted Average	155,494	\$24.46	\$24.72	1.1%	\$26.64	\$23.67	(11.1%)
<i>BRE/Melville</i>							
Total/Weighted Average	-	-	-	-	-	-	-

Tenant Retention ⁽⁵⁾

	<u>Leases Expiring</u>	<u>Sq. Ft Expiring</u>	<u>Sq. Ft Renewing</u>	<u>Renewal Percentage</u>
<i>Long Island</i>	7	21,582	7,983	37.0%
<i>Westchester</i>	11	114,532	113,395	99.0%
<i>New Jersey</i>	2	32,290	32,290	100.0%
Total/Weighted Average	20	168,404	153,668	91.2%
BRE/Melville	1	163,762	0	0.0%

(1) Includes new and renewed leases during the period.

(2) Includes Net/Flex leases

(3) Represents either renewed or released space.

(4) Excludes escalations.

(5) Includes early renewals and excludes early terminations.

Leasing Statistics

For the 12 months ended 31 December 2013

Executed Leases ⁽¹⁾

	<u># of Transactions</u>	<u>Total Sq. Ft.</u>	<u>Average Base Rent</u>	<u>Average Term (Years)</u>
<i>Office Properties</i>				
Long Island	24	160,988	\$25.97	3.0
Westchester	28	203,802	\$21.83	6.0
Connecticut	1	6,096	\$30.13	5.3
New Jersey	7	54,140	\$30.56	4.4
Total/Weighted Average	60	425,026	\$24.63	4.6
<i>Flex Properties</i>				
Connecticut	1	16,320	\$6.63	1.0
Total/Weighted Average	1	16,320	\$6.63	1.0
Total/Weighted Average	61	441,346	\$23.96	4.5
BRE/Melville	1	10,747	\$24.06	5.4

Same Space Statistics ⁽²⁾

	<u>Total Sq. Ft.</u>	<u>Average Rent</u>			<u>Base Rent</u>		
		<u>Expiring Rent</u>	<u>New Rent ⁽³⁾</u>	<u>% Change</u>	<u>Expiring Rent ⁽⁴⁾</u>	<u>New Rent ⁽³⁾⁽⁴⁾</u>	<u>% Change</u>
<i>Long Island</i>							
New	7,345	\$25.01	\$21.70	(13.2%)	\$28.16	\$21.82	(22.5%)
Renewal	141,259	\$25.12	\$25.94	3.3%	\$26.37	\$25.62	(2.8%)
Total/Weighted Average	148,604	\$25.11	\$25.73	2.5%	\$26.45	\$25.44	(3.8%)
<i>Westchester</i>							
New	19,936	\$22.74	\$23.06	1.4%	\$22.92	\$23.10	0.8%
Renewal	148,193	\$22.67	\$21.28	(6.1%)	\$23.87	\$20.49	(14.2%)
Total/Weighted Average	168,129	\$22.68	\$21.49	(5.2%)	\$23.76	\$20.80	(12.5%)
<i>New Jersey</i>							
New	13,023	\$22.78	\$18.92	(16.9%)	\$23.51	\$18.38	(21.8%)
Renewal	34,400	\$29.92	\$36.45	21.8%	\$33.72	\$35.40	5.0%
Total/Weighted Average	47,423	\$27.96	\$31.64	13.2%	\$30.91	\$30.72	(0.6%)
Total/Weighted Average	364,156	\$24.36	\$24.54	0.7%	\$25.79	\$23.98	(7.0%)
<i>BRE/Melville</i>							
Renewal	10,747	\$25.16	\$22.33	(11.2%)	\$28.44	\$22.50	(20.9%)
Total/Weighted Average	10,747	\$18.25	\$16.20	(11.2%)	\$20.63	\$16.32	(20.9%)

Tenant Retention ⁽⁵⁾

	<u>Leases Expiring</u>	<u>Sq. Ft Expiring</u>	<u>Sq. Ft Renewing</u>	<u>Renewal Percentage</u>
<i>Long Island</i>	24	171,224	144,415	84.3%
<i>Connecticut</i>	1	16,320	16,320	100.0%
<i>Westchester</i>	29	181,667	148,963	82.0%
<i>New Jersey</i>	6	41,117	40,117	97.6%
Total/Weighted Average	60	410,328	349,815	85.3%
BRE/Melville	3	183,233	10,747	5.9%

(1) Includes new and renewed leases during the period.

(2) Includes Net/Flex leases

(3) Represents either renewed or released space.

(4) Excludes escalations.

(5) Includes early renewals and excludes early terminations.

**Lease Expiration Schedule - Adjusted for Preleased Space
As of 1 January 2014**

Total Portfolio ⁽¹⁾

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2014	58	379,769	12.7%	12.7%
2015	50	360,076	12.1%	24.8%
2016	41	329,924	11.1%	35.9%
2017	37	203,644	6.8%	42.7%
2018	41	281,800	9.4%	52.1%
2019 and thereafter	40	856,113	28.7%	80.8%
Total/Weighted Average	267	2,411,326	80.8%	
Total Portfolio Square Feet		2,983,089		

Office Portfolio ⁽¹⁾

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Office Sq Ft	Cumulative % of Total Portfolio Sq Ft
2014	56	284,572	11.5%	11.5%
2015	50	360,076	14.5%	26.0%
2016	41	329,924	13.3%	39.3%
2017	37	203,644	8.2%	47.5%
2018	40	273,631	11.0%	58.5%
2019 and thereafter	38	570,858	23.0%	81.5%
Total/Weighted Average	262	2,022,705	81.5%	
Total Office Portfolio Square Feet		2,482,955		

Flex Portfolio

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Flex Sq Ft	Cumulative % of Total Portfolio Sq Ft
2014	2	95,197	19.0%	19.0%
2015	0	0	0.0%	19.0%
2016	0	0	0.0%	19.0%
2017	0	0	0.0%	19.0%
2018	1	8,169	1.6%	20.6%
2019 and thereafter	2	285,255	57.0%	77.6%
Total/Weighted Average	5	388,621	77.6%	
Total Flex Portfolio Square Feet		500,134		

(1) Excludes BRE/Melville JV assets

**Lease Expiration Schedule - Adjusted for Preleased Space
As of 1 January 2014**

Long Island Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent ⁽¹⁾	Current Cash Rent ⁽²⁾
2014	22	67,693	7.2%	7.2%		\$28.94
2015	26	224,632	23.8%	31.0%		\$26.86
2016	11	60,179	6.4%	37.4%		\$19.17
2017	18	98,779	10.5%	47.9%		\$25.95
2018	19	90,406	9.6%	57.5%		\$24.88
2019 and thereafter	23	230,410	24.4%	81.9%		\$17.11
Total/Weighted Average	119	772,099	81.9%			
Total Long Island Office Square Feet		942,412				

Westchester Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent ⁽¹⁾	Current Cash Rent ⁽²⁾
2014	24	155,220	19.6%	19.6%	\$26.02	\$23.91
2015	14	29,784	3.8%	23.4%	\$23.30	\$22.92
2016	22	103,030	13.0%	36.4%	\$20.66	\$22.40
2017	15	71,004	9.0%	45.4%	\$23.18	\$24.14
2018	14	139,664	17.7%	63.1%	\$22.20	\$23.09
2019 and thereafter	12	185,603	23.5%	86.6%	\$22.19	\$21.26
Total/Weighted Average	101	684,305	86.6%			
Total Westchester Office Square Feet		790,943				

Connecticut Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent ⁽¹⁾⁽³⁾	Current Cash Rent ⁽²⁾⁽³⁾
2014	2	11,766	5.3%	5.3%	\$27.53	\$31.26
2015	2	29,453	13.2%	18.5%	\$31.85	\$32.23
2016	4	119,989	53.6%	72.1%	\$32.69	\$35.72
2017	1	8,446	3.8%	75.9%	\$29.99	\$29.00
2018	2	18,756	8.4%	84.3%	\$35.35	\$35.42
2019 and thereafter	1	6,096	2.7%	87.0%	\$30.13	\$29.00
Total/Weighted Average	12	194,506	87.0%			
Total Connecticut Office Square Feet		223,940				

Note: Tenants that have expired on 31 December 2013 are not included. (705 SF in Westchester).

(1) Represents annualized average rent including current tax recoveries.

(2) Represents annualized current base rent including current tax recoveries.

(3) Represents annualized average and current base rent including operating recoveries.

**Lease Expiration Schedule - Adjusted for Preleased Space
As of 1 January 2014**

New Jersey Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent ⁽¹⁾	Current Cash Rent ⁽²⁾
2014	8	49,893	9.5%	9.5%	\$28.74	\$29.84
2015	8	76,207	14.5%	24.0%	\$23.21	\$23.42
2016	4	46,726	8.9%	32.9%	\$31.81	\$31.75
2017	3	25,415	4.8%	37.7%	\$19.60	\$20.69
2018	5	24,805	4.7%	42.4%	\$21.70	\$22.14
2019 and thereafter	2	148,749	28.3%	70.7%	\$27.79	\$26.47
Total/Weighted Average	30	371,795	70.7%			
Total New Jersey Office Square Feet		525,660				

Flex Properties

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent ⁽¹⁾	Current Cash Rent ⁽²⁾
2014	2	95,197	19.0%	19.0%	\$5.65	\$5.98
2015	0	-	0.0%	19.0%	-	-
2016	0	-	0.0%	19.0%	-	-
2017	0	-	0.0%	19.0%	-	-
2018	1	8,169	1.6%	20.6%	\$18.83	\$18.03
2019 and thereafter	2	285,255	57.0%	77.6%	\$13.32	\$12.60
Total/Weighted Average	5	388,621	77.6%			
Total Flex Square Feet		500,134				

BRE/Melville

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Average Rent ⁽¹⁾	Current Cash Rent ⁽²⁾
2014	1	10,488	2.1%	2.1%	\$28.58	\$29.31
2015	1	6,584	1.3%	3.4%	\$30.49	\$30.11
2016	1	20,014	4.0%	7.4%	\$30.96	\$30.57
2017	0	-	0.0%	7.4%	-	-
2018	1	10,747	2.1%	9.5%	\$23.06	\$22.50
2019 and thereafter	0	-	0.0%	9.5%	-	-
Total/Weighted Average	4	47,833	9.5%			
Total Flex Square Feet		330,772				

Note: Tenants that have expired on 31 December 2013 are not included. (163,762 SF in BRE/Melville)

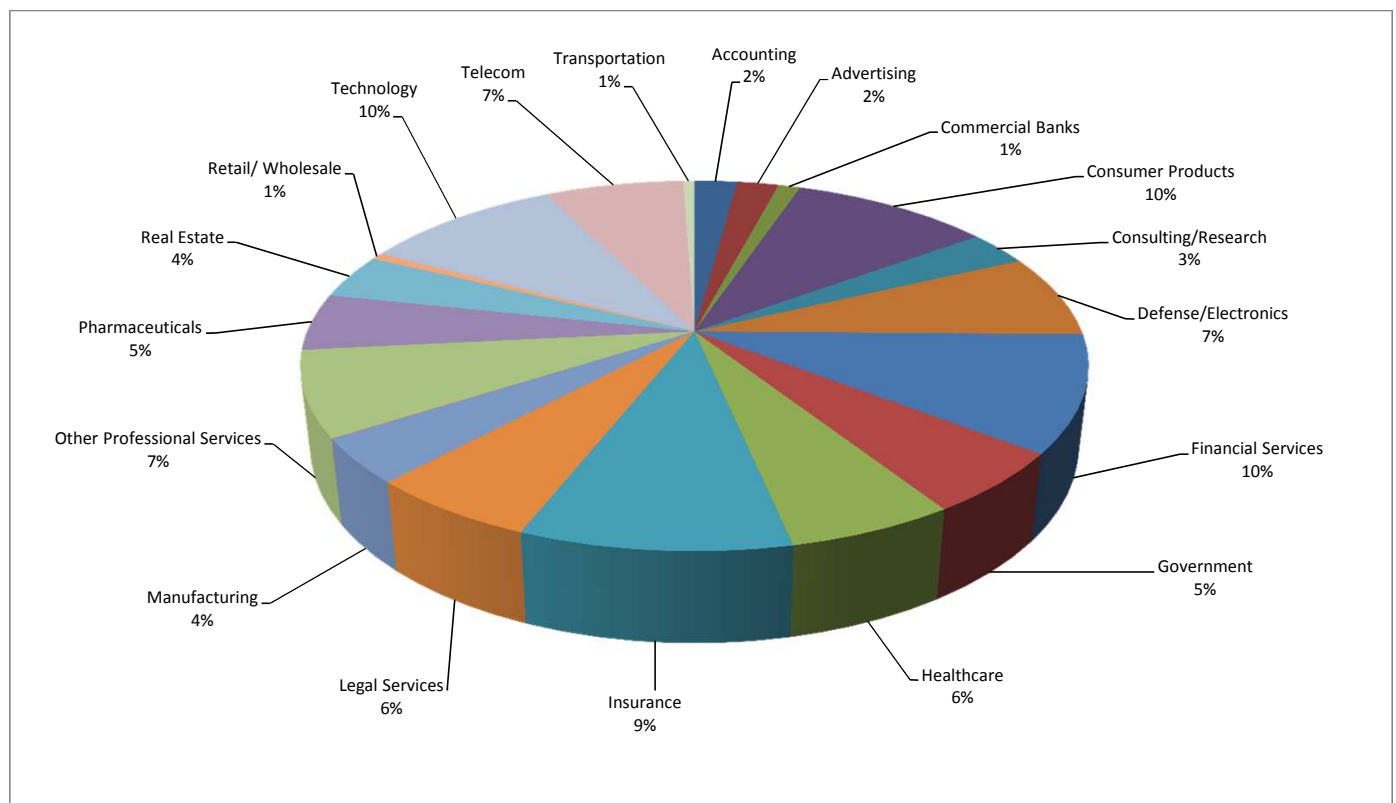
(1) Represents annualized average rent including current tax recoveries.

(2) Represents annualized current base rent including current tax recoveries.

Top 25 Tenants ⁽¹⁾⁽²⁾
 (Based on Base Rental Revenue)

Tenant Name	Wtd. Avg. Term Remaining (Years)	Total Square Feet	Base Rental Revenue
Lockheed Martin Corp. ⁽³⁾	1.7	112,000	6.0%
Radianz US	7.4	130,009	5.8%
Perkin Elmer Inc.	6.2	262,024	5.5%
Bayer Healthcare LLC	0.6	94,717	4.9%
Amscan Inc	8.0	99,791	3.9%
Synapse Group Inc	2.7	77,640	3.8%
HQ Global Workplaces	4.3	44,871	2.3%
DHS FAMS-FAA WJ Hughes	2.7	29,372	2.2%
Lincoln Educational Svcs. Corp	2.0	45,408	2.1%
Prestige Brands Inc.	4.3	42,616	1.9%
AC Nielsen	1.2	34,276	1.7%
Ampacet Corporation	7.2	36,474	1.7%
Bank of America	2.6	34,423	1.7%
Assured Partners Capital	0.4	31,390	1.6%
North Shore Reg. Health System	6.8	27,087	1.4%
Tappan Zee Constructors, LLC	4.7	30,780	1.3%
Frequency Electronics Inc.	2.1	91,027	1.2%
ENT & Allergy Associates	5.1	24,735	1.2%
Philip Morris Mgmt. Co.	6.0	28,001	1.1%
Liberty Mutual	1.7	38,987	1.1%
Xerox Corp.	2.3	23,920	1.1%
Guardian Life Insurance Co.,	2.5	21,539	1.0%
D.L.C. Management Corp	6.9	18,747	0.9%
Ingerman Smith LLP	3.7	12,801	0.9%
Hoffman & Baron	3.7	17,298	0.9%

Tenant Diversification ⁽¹⁾⁽²⁾
Total Portfolio



(1) Ranked by 100% of annualized base rental revenue. Based on monthly rent in place as of 1 January 2014.
 (2) Excludes BRE/Melville JV assets.
 (3) Lockheed Martin renewed 103,500 SF for period of 2 years and 8,500 SF for 9 months effective 1 October 2013.

Capital Expenditures
As of 31 December 2013

CAPITAL EXPENDITURES	2010 Total	2011 Total	2012 Total	1st Half 2013	2nd Half 2013	2013 ⁽¹⁾ Total
Recurring - Non Incremental						
Amenities (Health Club, Café, etc.)	\$655	\$0	\$0	\$0	\$0	\$0
Bathrooms	147,341 ⁽²⁾	3,728	3,462	6,330	136,422 ⁽¹⁵⁾	142,752
Corridors	54,324	14,762	0	4,420	65,380	69,800
Elevators	17,916	1,336	74,420	0	68,568	68,568
Exterior Renovation	152,241 ⁽³⁾	29,342	339,937 ⁽¹⁰⁾	26,465	177,317 ⁽¹⁶⁾	203,782
Lobby	9,553	0	126	0	1,573	1,573
Mechanical, Electrical & Plumbing	1,277,688 ⁽⁴⁾	615,226 ⁽⁷⁾	953,535 ⁽¹¹⁾	105,594 ⁽¹⁴⁾	1,452,881 ⁽¹⁷⁾	1,558,475
Other	16,130	0	0	0	0	0
Parking Lots	253,160 ⁽⁵⁾	342,620 ⁽⁸⁾	131,734 ⁽¹²⁾	0	578,352 ⁽¹⁸⁾	578,352
Roofs	219,341 ⁽⁶⁾	471,987 ⁽⁹⁾	512,118 ⁽¹³⁾	3,998	204,314 ⁽¹⁹⁾	208,312
Security	0	0	15,649	0	12,620	12,620
Total Recurring - Non Incremental	\$2,148,349	\$1,479,001	\$2,030,981	\$146,807	\$2,697,427	\$2,844,234
Amount Per Square Foot						
Connecticut	\$0.95	\$0.45	\$0.14	\$0.00	\$0.19	\$0.19
Long Island	\$0.31	\$0.63	\$0.50	\$0.05	\$0.41	\$0.46
New Jersey	\$0.42	\$0.00	\$0.68	\$0.12	\$0.63	\$0.87
Westchester	\$1.06	\$0.45	\$1.13	\$0.02	\$2.47	\$1.93
Weighted Average	\$0.65	\$0.45	\$0.61	\$0.04	\$0.75	\$0.79

- (1) Excludes BRE/Melville JV assets.
(2) Primarily related to third floor common area bathroom refurbishment pursuant to 3rd Amendment of Ampacet's lease at 660 White Plains Road.
(3) Primarily related to main entrance wall drainage repair at 10 Rooney Circle.
(4) Primarily related to hot water heater replacement at 225 High Ridge Road, chiller restoration at 560 White Plains Road, HVAC rooftop units at 6800 Jericho Turnpike and 300 Executive Drive and boiler replacement at 710 Bridgeport.
(5) Primarily related to replacement of structural beams and upper deck of the parking garage at 560 White Plains Road.
(6) Primarily related to the roof replacement at 6800 Jericho Turnpike.
(7) Primarily related to HVAC rooftop units at 6900 Jericho Turnpike, work at 580 White Plains Road pursuant to 580 Center Management's new lease, BMS control system at 200 Broadhollow Road and chiller replacement at 580 White Plains Road.
(8) Primarily related to repaving the parking lot at 710 Bridgeport Avenue pursuant to terms specified in lease agreement.
(9) Primarily related to the roof replacement at 6800 Jericho Turnpike, roof replacement at 710 Bridgeport Ave and work done at 6900 Jericho Turnpike related to the HVAC rooftop units.
(10) Primarily related to caulking at 660 White Plains Road, EIFS replacement at 80 Grasslands Road pursuant to lease with Liberty Mutual and window replacement at 300 Motor Parkway pursuant to renewal and expansion of the State of New York.
(11) Primarily related to chiller plant replacement at 560 White Plains Road, new chiller at 6900 Jericho Tpk, and the replacement of two 20 ton roof top units at 200 Executive Drive.
(12) Primarily related to parking lot repair for 150 Motor Parkway and 35 Pinelawn Road.
(13) Primarily related to the roof replacement at 35 Pinelawn Road, 200 Executive Drive and section 1 of 4 at 710 Bridgeport Avenue.
(14) Primarily related to lighting related to Partnership for Children relocation to 100 Executive Drive and heat exchangers at 300 Motor Parkway.
(15) Primarily related to bathroom remodeling at 660 White Plains Road to satisfy lease obligation with GNT.
(16) Primarily related to powerwashing and caulking at 225 High Ridge Road and rebuilding a retaining wall at 100 & 200 Executive Drive.
(17) Primarily related to the chiller plant financing at 580 White Plains Road, cooling tower replacement at 660 White Plains Road, RTU replacement at 100 Executive Drive, and BMS replacement at 35 Pinelawn Road.
(18) Primarily related to repaving the parking lots at 660 White Plains Road and 100 & 200 Executive Drive.
(19) Primarily related to the roof replacement at 150 Motor Parkway and replacing gutters at 225 High Ridge Road.

Tenanting Costs

The following table summarizes the expenditures incurred for tenant improvements and leasing commissions for space leased during 2010, 2011, 2012 and for the twelve month period ended 31 December 2013.

Tenant Improvements and Leasing Commissions ⁽¹⁾

	2010	2011	2012	2013 ⁽²⁾	New	Renewal
Connecticut Office						
Tenant Improvements	\$566,021	\$50,388	\$335,937	\$304,800	\$304,800	\$0
Per Square Foot Improved	\$15.36	\$5.56	\$14.35	\$50.00	\$50.00	\$0.00
Leasing Commissions	\$259,207	\$58,116	\$174,236	\$72,161	\$72,161	\$0
Per Square Foot Leased	\$7.04	\$6.41	\$7.44	\$11.84	\$11.84	\$0.00
Total Per Square Foot	<u>\$22.40</u>	<u>\$11.97</u>	<u>\$21.79</u>	<u>\$61.84</u>	<u>\$61.84</u>	<u>\$0.00</u>
Long Island Office						
Tenant Improvements	\$2,800,265	\$1,473,202	\$1,634,532	\$1,031,745	\$281,052	\$750,693
Per Square Foot Improved	\$10.09	\$11.49	\$8.90	\$6.41	\$18.37	\$5.15
Leasing Commissions	\$1,884,217	\$718,483	\$759,869	\$775,766	\$122,008	\$653,758
Per Square Foot Leased	\$6.79	\$5.11	\$4.14	\$4.82	\$7.98	\$4.49
Total Per Square Foot	<u>\$16.88</u>	<u>\$16.60</u>	<u>\$13.04</u>	<u>\$11.23</u>	<u>\$26.35</u>	<u>\$9.64</u>
New Jersey Office						
Tenant Improvements	\$1,208,514	\$532,353	\$138,046	\$506,482	\$506,482	\$0
Per Square Foot Improved	\$26.03	\$17.02	\$17.59	\$9.36	\$25.66	\$0.00
Leasing Commissions	\$363,478	\$229,662	\$69,693	\$394,684	\$194,619	\$200,065
Per Square Foot Leased	\$7.83	\$8.24	\$8.88	\$7.29	\$9.86	\$5.82
Total Per Square Foot	<u>\$33.86</u>	<u>\$25.26</u>	<u>\$26.47</u>	<u>\$16.65</u>	<u>\$35.52</u>	<u>\$5.82</u>
Westchester Office						
Tenant Improvements	\$1,402,296	\$1,220,508	\$2,224,772	\$1,578,170	\$822,228	\$755,942
Per Square Foot Improved	\$14.02	\$14.00	\$20.76	\$7.74	\$14.99	\$5.07
Leasing Commissions	\$546,944	\$441,791	\$741,472	\$1,082,039	\$463,853	\$618,186
Per Square Foot Leased	\$5.47	\$4.76	\$6.92	\$5.31	\$8.46	\$4.15
Total Per Square Foot	<u>\$19.49</u>	<u>\$18.76</u>	<u>\$27.68</u>	<u>\$13.05</u>	<u>\$23.45</u>	<u>\$9.22</u>
Flex						
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Per Square Foot Improved	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leasing Commissions	\$0	\$4,280	\$27,027	\$3,247	\$0	\$3,247
Per Square Foot Leased	\$0.00	\$0.33	\$1.18	\$0.20	\$0.00	\$0.20
Total Per Square Foot	<u>\$0.00</u>	<u>\$0.33</u>	<u>\$1.18</u>	<u>\$0.20</u>	<u>\$0.00</u>	<u>\$0.20</u>

(1) Represents committed tenant improvement and leasing commissions (at 100% of costs) on leases signed during the period.

(2) Excludes BRE/Melville JV assets.