

# **Reckson New York Property Trust**

**RECKSON**  
**NYPT**

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## **Half Year Ended 30 June 2006 Supplemental Operating and Financial Data**

**11 August 2006**

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*Certain statements herein relate to the Trust's future performance ("forward looking statements"). Although Reckson 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.*

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## Corporate Information

### Corporate Profile

Reckson New York Property Trust (the Trust) (ASX: RNYCA) 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 instalment of A\$0.35 per unit (October 2006).

Proceeds from the IPO are being used to acquire a 75 per cent indirect interest in a portfolio of 25 suburban core-plus office properties, from Reckson Associates Realty Corp. (Reckson) (NYSE: RA), for approximately US\$422 million (approximately A\$550 million). Reckson has retained a 25 per cent indirect interest in these properties.

The properties will be 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 (88 Duryea Road) was sold for US\$5.32 million, which represented a 33% premium over the initial purchase price. The final five properties are scheduled to close in October 2006, in conjunction with the final installment on the Units.

The Trust has a two-year option to purchase an additional ten suburban core-plus office properties from Reckson, comprising approximately 1.2 million square feet, to be priced at fair market value at the time the option is exercised. Reckson anticipates that it will continue to maintain a 25 per cent indirect interest in future core-plus investments with the Trust.

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

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### Corporate Headquarters

Level 25, The Chifley Tower  
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### New Corporate Headquarters (as of 14 August 2006)

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Scott Rechler	Chairman and Chief Executive Officer
Michael Maturo	President and Chief Financial Officer
Jason Barnett	Senior Executive Vice President and General Counsel

### Fund Manager

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## Reporting Schedule

Half Year Results	Early August
Full Year Results	Early March

**Debt Summary at 30 June 2006***(US Dollars in thousands)***Debt Breakdown**

	Balance	% of Total	Weighted Average Interest Rate	Weighted Average Maturity (Years)
Property Mortgage Debt	\$268,068	89.8%	5.23%	5.6
Variable Rate Unsecured Credit Facility	30,500	10.2%	6.06%	2.2
<b>Total/Weighted Average</b>	<b>\$298,568</b>	<b>100.0%</b>	<b>5.32%</b>	<b>5.3</b>

**Debt Maturity Schedule**

Year	Mortgages Due at Maturity	Unsecured Credit Facility	Total
2006			\$0
2007			0
2008		\$30,500	30,500
2009			0
2010	\$196,068		196,068
Thereafter	72,000		72,000
<b>Total Debt</b>	<b>\$268,068</b>	<b>\$30,500</b>	<b>\$298,568</b>

**Mortgage Detail**

Property	Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
35 Pinelawn Road, Melville, NY	\$15,189	5.20%	September, 2010	interest only
150 Motor Parkway, Hauppauge, NY	24,080	5.20%	September, 2010	interest only
660 White Plains Road, Tarrytown, NY	37,657	5.20%	September, 2010	interest only
100 Executive Drive, West Orange, NJ	12,115	5.20%	September, 2010	interest only
100 Grasslands Road, Elmsford, NY	6,027	5.20%	September, 2010	interest only
80 Grasslands Road, Elmsford, NY	10,672	5.20%	September, 2010	interest only
200 Executive Drive, West Orange, NJ	12,981	5.20%	September, 2010	interest only
492 River Road, Nutley, NJ	22,073	5.20%	September, 2010	interest only
225 Highridge Road, Stamford, CT	55,274	5.20%	September, 2010	interest only
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
<b>Total/Weighted Average</b>	<b>\$268,068</b>	<b>5.23%</b>	<b>5.6 years</b>	

## Same Property Performance <sup>(1)</sup>

For the 6 month period ended 30 June 2006 vs. 30 June 2005

(In thousands)

### Regional Breakdown

	Cash Revenue <sup>(2)</sup>			
	2Q 06 YTD	2Q 05 YTD	\$ Change	% Change
<b>Office</b>				
Long Island	\$10,739	\$10,551	\$188	1.8%
New Jersey	4,343	4,334	9	0.2%
Westchester	7,502	7,404	98	1.3%
Total Office	\$22,584	\$22,289	\$295	1.3%
<b>Flex</b>	\$2,565	\$2,255	\$310	13.8%
<b>Total</b>	\$25,149	\$24,544	\$605	2.5%

	Cash Operating Expenses			
	2Q 06 YTD	2Q 05 YTD	\$ Change	% Change
<b>Office</b>				
Long Island	\$3,163	\$2,854	\$309	10.8%
New Jersey	866	795	71	9.0%
Westchester	2,072	2,096	(24)	(1.1%)
Total Office	\$6,101	\$5,745	\$356	6.2%
<b>Flex</b>	\$529	\$649	(\$120)	(18.5%)
<b>Total</b>	\$6,630	\$6,394	\$236	3.7%

	Real Estate Taxes			
	2Q 06 YTD	2Q 05 YTD	\$ Change	% Change
<b>Office</b>				
Long Island	\$2,119	\$2,067	\$52	2.5%
New Jersey	538	652	(114)	(17.4%)
Westchester	1,289	1,264	25	2.0%
Total Office	\$3,946	\$3,983	(\$37)	(0.9%)
<b>Flex</b>	\$250	\$231	\$19	7.8%
<b>Total</b>	\$4,196	\$4,214	(\$18)	(0.4%)

	Cash NOI <sup>(2)</sup>			
	2Q 06 YTD	2Q 05 YTD	\$ Change	% Change
<b>Office</b>				
Long Island	\$5,458	\$5,630	(\$172)	(3.1%)
New Jersey	2,939	2,887	52	1.8%
Westchester	4,140	4,044	96	2.4%
Total Office	\$12,537	\$12,561	(\$24)	(0.2%)
<b>Flex</b>	\$1,787	\$1,375	\$412	30.0%
<b>Total</b>	\$14,324	\$13,936	\$388	2.8%

(1) Excludes 225 Highridge (acquired July 2005) and 88 Duryea (sold June 2006).

(2) Excludes lease termination fees

## Occupancy Analysis

As of 30 June 2006

	Tranche	# of Bldgs	Rentable Square Feet <sup>(1)</sup>	Occupancy As of 30/06/06	Occupancy As of 31/12/05	Sq. Ft. as a % of Portfolio	NOI as a % of Portfolio <sup>(4)</sup>
<b>Long Island</b>							
<b>Eastern Nassau</b>							
6800 Jericho Turnpike	II		207,648	94.8%	96.3%	6.3%	5.5%
6900 Jericho Turnpike	II		95,320	100.0%	100.0%	2.9%	3.0%
<b>Total Eastern Nassau</b>		<b>2</b>	<b>302,968</b>	<b>96.4%</b>	<b>97.5%</b>	<b>9.2%</b>	<b>8.5%</b>
<b>Central Nassau</b>							
55 Charles Lindbergh Boulevard	I		214,581	100.0%	100.0%	6.5%	5.0%
<b>Total Central Nassau</b>		<b>1</b>	<b>214,581</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.5%</b>	<b>5.0%</b>
<b>Central Suffolk</b>							
150 Vanderbilt Motor Parkway	I		185,298	83.2%	88.3%	5.6%	4.4%
300 Vanderbilt Motor Parkway	I		54,284	100.0%	100.0%	1.6%	1.6%
<b>Total Central Suffolk</b>		<b>2</b>	<b>239,582</b>	<b>87.0%</b>	<b>90.9%</b>	<b>7.3%</b>	<b>6.0%</b>
<b>Western Suffolk <sup>(2)</sup></b>							
35 Pinelawn Road	I		108,811	97.7%	98.7%	3.3%	4.0%
520 Broadhollow Road	III		87,780	100.0%	100.0%	2.7%	3.5%
1660 Walt Whitman Road	III		77,872	83.0%	83.0%	2.4%	2.2%
50 Marcus Drive	III		163,762	100.0%	100.0%	5.0%	7.7%
200 Broadhollow Road	I		68,707	100.0%	97.3%	2.1%	2.4%
88 Duryea Road	I		-	0.0%	0.0%	0.0%	0.0%
<b>Total Western Suffolk</b>		<b>5</b>	<b>506,932</b>	<b>96.9%</b>	<b>96.7%</b>	<b>15.4%</b>	<b>19.8%</b>
<b>Total Long Island</b>		<b>10</b>	<b>1,264,063</b>	<b>95.4%</b>	<b>96.4%</b>	<b>38.3%</b>	<b>39.3%</b>
<b>New Jersey</b>							
<b>Rt. 23/GSP Corridor</b>							
492 River Road	I		130,009	100.0%	100.0%	3.9%	5.3%
<b>Total Rt. 23/GSP Corridor</b>		<b>1</b>	<b>130,009</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.9%</b>	<b>5.3%</b>
<b>Rt. 280 Corridor</b>							
100 Executive Drive	I		93,865	85.6%	85.6%	2.8%	2.7%
200 Executive Drive	I		105,649	100.0%	94.9%	3.2%	3.3%
300 Executive Drive	III		124,777	67.8%	88.9%	3.8%	2.5%
10 Rooney Circle	I		70,716	86.3%	86.3%	2.1%	2.6%
<b>Total Rt. 280 Corridor</b>		<b>4</b>	<b>395,007</b>	<b>84.0%</b>	<b>89.3%</b>	<b>12.0%</b>	<b>10.9%</b>
<b>Total New Jersey</b>		<b>5</b>	<b>525,016</b>	<b>87.9%</b>	<b>91.9%</b>	<b>15.9%</b>	<b>16.3%</b>
<b>Westchester</b>							
<b>Tarrytown</b>							
505 White Plains Road	I		26,320	100.0%	100.0%	0.8%	1.0%
555 White Plains Road	I		121,730	98.2%	98.2%	3.7%	2.6%
560 White Plains Road	I		124,170	98.9%	89.1%	3.8%	4.2%
580 White Plains Road	III		168,782	72.5%	65.2%	5.1%	2.3%
660 White Plains Road	I		253,158	90.5%	89.0%	7.7%	8.5%
<b>Total Tarrytown</b>		<b>5</b>	<b>694,160</b>	<b>89.3%</b>	<b>85.2%</b>	<b>21.0%</b>	<b>18.6%</b>
<b>Elmsford</b>							
80 Grasslands Road	I		87,114	100.0%	100.0%	2.6%	2.9%
100 Grasslands Road	I		47,720	100.0%	100.0%	1.4%	1.7%
<b>Total Standalone</b>		<b>2</b>	<b>134,834</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.1%</b>	<b>4.7%</b>
<b>Total Westchester</b>		<b>7</b>	<b>828,994</b>	<b>91.1%</b>	<b>87.6%</b>	<b>25.1%</b>	<b>23.2%</b>
<b>Connecticut</b>							
<b>Stamford</b>							
225 Highridge Road	I		227,966	98.6%	98.6%	6.9%	14.8%
<b>Total Stamford</b>		<b>1</b>	<b>227,966</b>	<b>98.6%</b>	<b>98.6%</b>	<b>6.9%</b>	<b>14.8%</b>
<b>Shelton</b>							
710 Bridgeport Avenue	II		452,411	71.7%	71.7%	13.7%	6.4%
<b>Total Standalone</b>		<b>1</b>	<b>452,411</b>	<b>71.7%</b>	<b>71.7%</b>	<b>13.7%</b>	<b>6.4%</b>
<b>Total Connecticut</b>		<b>2</b>	<b>680,377</b>	<b>80.8%</b>	<b>80.8%</b>	<b>20.6%</b>	<b>21.2%</b>
<b>TOTAL PORTFOLIO</b>		<b>24</b>	<b>3,298,450</b>	<b>90.1%</b>	<b>90.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>TRANCHE I <sup>(2)</sup></b>		<b>16</b>	<b>1,920,098</b>	<b>95.4%</b>	<b>94.8%</b>	<b>58.2%</b>	<b>67.0%</b>
<b>TRANCHE II <sup>(2)</sup></b>		<b>3</b>	<b>755,379</b>	<b>81.6%</b>	<b>82.0%</b>	<b>22.9%</b>	<b>14.9%</b>
<b>TRANCHE I &amp; II <sup>(2)</sup></b>		<b>19</b>	<b>2,675,477</b>	<b>91.5%</b>	<b>91.2%</b>	<b>81.1%</b>	<b>81.9%</b>
<b>TRANCHE III <sup>(2)</sup></b>		<b>5</b>	<b>622,973</b>	<b>84.0%</b>	<b>86.2%</b>	<b>18.9%</b>	<b>18.1%</b>

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

(2) Tranche I properties were acquired in September 2005, Tranche II properties were acquired in January 2006 and we expect to close on Tranche III in October 2006.

(3) 88 Duryea Road was sold on 23/06/06 and has not been included within this report.

(4) NOI as a % of Portfolio represents the time period from 1 January 2006 through 30 June 2006.

## Lease Activity

For the 6 Months Ending 30 June 2006

	Period Expirations				Leasing Activity									
	Scheduled		Short Term		New Leases		Renewal		Early Renewal		Expansions		Total Portfolio	
	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF
<i>Tranche I Properties</i>														
Long Island	2	18,086	2	10,636	6	37,807	3	9,701	-	-	-	-	9	47,508
New Jersey	-	-	-	-	1	5,387	1	3,065	3	139,124	2	3,764	7	151,340
Connecticut	-	-	-	-	-	-	2	5,854	-	-	1	3,684	3	9,538
Westchester	3	3,316	3	23,840	2	2,241	8	19,832	3	29,928	5	26,092	18	78,093
<b>Subtotal Tranche I</b>	<b>5</b>	<b>21,402</b>	<b>5</b>	<b>34,476</b>	<b>9</b>	<b>45,435</b>	<b>14</b>	<b>38,452</b>	<b>6</b>	<b>169,052</b>	<b>8</b>	<b>33,540</b>	<b>37</b>	<b>286,479</b>
<i>Tranche II Properties</i>														
Long Island	1	1,767	-	-	3	9,495	-	-	2	15,227	2	6,615	7	31,337
<b>Subtotal Tranche II</b>	<b>1</b>	<b>1,767</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>9,495</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>15,227</b>	<b>2</b>	<b>6,615</b>	<b>7</b>	<b>31,337</b>
<i>Tranche III Properties</i>														
New Jersey	1	7,546	-	-	-	-	3	13,385	2	25,530	1	5,648	6	44,563
Westchester	-	-	-	-	-	-	2	14,427	-	-	2	4,550	4	18,977
<b>Subtotal Tranche III</b>	<b>1</b>	<b>7,546</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>27,812</b>	<b>2</b>	<b>25,530</b>	<b>3</b>	<b>10,198</b>	<b>10</b>	<b>63,540</b>
<b>Total NYPT Portfolio</b>	<b>7</b>	<b>30,715</b>	<b>5</b>	<b>34,476</b>	<b>12</b>	<b>54,930</b>	<b>19</b>	<b>66,264</b>	<b>10</b>	<b>209,809</b>	<b>13</b>	<b>50,353</b>	<b>54</b>	<b>381,356</b>

## OUTSTANDING SHORT TERM LEASES / HOLDOVERS

	#	SF
Long Island Office	0	0
New Jersey Office	0	0
Connecticut Office	0	0
Westchester Office	5	31,419
<b>Total Office</b>	<b>5</b>	<b>31,419</b>

## EARLY TERMINATIONS FOR CURRENT PERIOD

	#	Terminated SF	Released SF	Vacant SF
Long Island Office	5	38,169	31,370	6,799
New Jersey Office	0	0	0	0
Connecticut Office	0	0	0	0
Westchester Office	3	9,695	8,244	1,451
<b>Total Office</b>	<b>8</b>	<b>47,864</b>	<b>39,614</b>	<b>8,250</b>

### 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 30 June 2006

**Executed Leases <sup>(1)</sup>**

	<b># of Transactions</b>	<b>Total Sq. Ft.</b>	<b>Average Base Rent</b>	<b>Average Effective Rent</b>	<b>Average Term (Years)</b>
<i>Tranche I Properties</i>					
Long Island	9	47,508	\$23.94	\$21.70	5.3
Connecticut	3	9,538	\$34.04	\$30.43	5.9
Westchester	18	78,093	\$23.72	\$20.16	5.3
New Jersey	7	151,340	\$22.77	\$19.75	9.3
<i>Subtotal/Weighted Average</i>	<i>37</i>	<i>286,479</i>	<i>\$23.60</i>	<i>\$20.54</i>	<i>7.4</i>
<i>Tranche II Properties</i>					
Long Island	7	31,337	\$24.11	\$21.63	5.0
<i>Subtotal/Weighted Average</i>	<i>7</i>	<i>31,337</i>	<i>\$24.11</i>	<i>\$21.63</i>	<i>5.0</i>
<i>Tranche III Properties</i>					
New Jersey	6	44,563	\$22.80	\$20.27	2.9
Westchester	4	18,977	\$22.66	\$19.64	8.5
<i>Subtotal/Weighted Average</i>	<i>10</i>	<i>63,540</i>	<i>\$22.76</i>	<i>\$20.08</i>	<i>4.6</i>
<b>Total/Weighted Average</b>	<b>54</b>	<b>381,356</b>	<b>\$23.50</b>	<b>\$20.55</b>	<b>6.7</b>

**Same Space Statistics**

	<b>Total Sq. Ft.</b>	<b>Cash Rent</b>			<b>Average Rent</b>		
		<b>Expiring Rent <sup>(2)(3)</sup></b>	<b>New Rent <sup>(2)(3)</sup></b>	<b>% Change <sup>(3)</sup></b>	<b>Expiring Rent</b>	<b>New Rent <sup>(2)</sup></b>	<b>% Change</b>
<i>Tranche I Properties</i>							
New	69,448	\$27.24	\$23.63	(13.3%)	\$26.80	\$25.45	(5.0%)
Renewal	201,095	\$22.35	\$23.65	5.8%	\$20.37	\$23.62	16.0%
<i>Total/Weighted Average</i>	<i>270,543</i>	<i>\$23.61</i>	<i>\$23.64</i>	<i>0.2%</i>	<i>\$22.02</i>	<i>\$24.09</i>	<i>9.4%</i>
<i>Tranche II Properties</i>							
New	14,945	\$25.74	\$24.20	(6.0%)	\$26.10	\$26.06	(0.2%)
Renewal	15,227	\$24.22	\$23.38	(3.5%)	\$25.40	\$25.32	(0.3%)
<i>Total/Weighted Average</i>	<i>30,172</i>	<i>\$24.97</i>	<i>\$23.79</i>	<i>(4.8%)</i>	<i>\$25.75</i>	<i>\$25.69</i>	<i>(0.2%)</i>
<i>Tranche III Properties</i>							
New	5,648	\$34.79	\$23.25	(33.2%)	\$32.92	\$23.25	(29.4%)
Renewal	45,944	\$23.98	\$22.91	(4.5%)	\$23.55	\$23.24	(1.3%)
<i>Total/Weighted Average</i>	<i>51,592</i>	<i>\$25.16</i>	<i>\$22.95</i>	<i>(8.8%)</i>	<i>\$24.58</i>	<i>\$23.24</i>	<i>(5.4%)</i>
<b>Total/Weighted Average</b>	<b>352,307</b>	<b>\$23.95</b>	<b>\$23.55</b>	<b>(1.7%)</b>	<b>\$22.71</b>	<b>\$24.10</b>	<b>6.1%</b>

**Tenant Retention <sup>(4) (5)</sup>**

	<b>Leases Expiring</b>	<b>Sq. Ft Expiring</b>	<b>Sq. Ft Renewing</b>	<b>Renewal Percentage</b>
<i>Tranche I</i>	24	229,760	208,358	90.7%
<i>Tranche II</i>	3	16,994	15,227	89.6%
<i>Tranche III</i>	8	60,888	53,342	87.6%
<b>Total/Weighted Average</b>	<b>35</b>	<b>307,642</b>	<b>276,927</b>	<b>90.0%</b>

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

(2) Represents either renewed or released space.

(3) Includes escalations.

(4) Includes early renewals and excludes early terminations.

(5) Excluding early renewals the total renewal percentage is 68.6%.

**Lease Expiration Schedule - Adjusted for Preleased Space  
As of 1 July 2006**

**Total Portfolio**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2006	27	121,330	3.7%	3.7%
2007	49	221,637	6.7%	10.4%
2008	55	365,902	11.1%	21.5%
2009	45	342,987	10.4%	31.9%
2010	60	590,407	17.9%	49.8%
2011 and thereafter	107	1,320,700	40.0%	89.8%
Total/Weighted Average	343	2,962,963	89.8%	
Total Portfolio Square Feet		3,298,450		

**Office Portfolio**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Office Sq Ft	Cumulative % of Total Portfolio Sq Ft
2006	27	121,330	4.3%	4.3%
2007	49	221,637	7.9%	12.2%
2008	54	357,733	12.8%	25.0%
2009	45	342,987	12.2%	37.2%
2010	59	344,703	12.3%	49.5%
2011 and thereafter	104	1,202,272	43.0%	92.5%
Total/Weighted Average	338	2,590,662	92.5%	
Total Office Portfolio Square Feet		2,798,319		

**Flex Portfolio**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Flex Sq Ft	Cumulative % of Total Portfolio Sq Ft
2006	0	0	0.0%	0.0%
2007	0	0	0.0%	0.0%
2008	1	8,169	1.6%	1.6%
2009	0	0	0.0%	1.6%
2010	1	245,704	49.1%	50.7%
2011 and thereafter	3	118,428	23.7%	74.4%
Total/Weighted Average	5	372,301	74.4%	
Total Flex Portfolio Square Feet		500,131		

**Lease Expiration Schedule - Adjusted for Preleased Space  
As of 1 July 2006**

**Long Island Office**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Current Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2006	11	32,483	2.6%	2.6%	\$30.46	\$25.43
2007	20	78,981	6.2%	8.8%	\$24.74	\$25.91
2008	28	240,177	19.0%	27.8%	\$23.34	\$22.83
2009	21	230,778	18.3%	46.1%	\$17.81	\$17.93
2010	34	135,158	10.7%	56.8%	\$25.73	\$24.88
2011 and thereafter	55	488,590	38.7%	95.5%	\$25.44	\$22.68
<b>Total/Weighted Average</b>	<b>169</b>	<b>1,206,167</b>	<b>95.5%</b>			

Total Long Island Office Square Feet 1,264,063

**Westchester Office**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Current Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2006	13	77,395	9.9%	9.9%	\$25.32	\$24.64
2007	20	66,944	8.6%	18.5%	\$27.19	\$27.21
2008	21	68,717	8.8%	27.3%	\$22.24	\$20.47
2009	19	71,778	9.2%	36.5%	\$26.69	\$23.87
2010	15	107,449	13.8%	50.3%	\$25.67	\$24.72
2011 and thereafter	29	305,593	39.1%	89.4%	\$23.77	\$21.24
<b>Total/Weighted Average</b>	<b>117</b>	<b>697,876</b>	<b>89.4%</b>			

Total Westchester Office Square Feet 781,274

**Connecticut Office**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Current Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2006	1	2,916	1.3%	1.3%	\$31.07	\$32.38
2007	3	39,725	17.4%	18.7%	\$35.19	\$36.14
2008	1	1,503	0.7%	19.4%	\$32.21	\$32.43
2009	0	-	0.0%	19.4%	\$0.00	\$0.00
2010	3	59,370	26.0%	45.4%	\$36.31	\$34.58
2011 and thereafter	3	121,357	53.2%	98.6%	\$35.17	\$35.24
<b>Total/Weighted Average</b>	<b>11</b>	<b>224,871</b>	<b>98.6%</b>			

Total Connecticut Office Square Feet 227,966

Note: Tenants that have expired on 30 June 2006 are not included (9,432 SF in Westchester).

Expiry exposure has been adjusted for preleased units (4,529 SF in Westchester)

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

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

**Lease Expiration Schedule - Adjusted for Preleased Space**  
**As of 1 July 2006**

**New Jersey Office**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Current Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2006	2	8,536	1.6%	1.6%	\$20.99	\$23.01
2007	6	35,987	6.9%	8.5%	\$25.66	\$25.31
2008	4	47,336	9.0%	17.5%	\$22.63	\$22.71
2009	5	40,431	7.7%	25.2%	\$25.92	\$23.35
2010	7	42,726	8.1%	33.3%	\$21.94	\$21.96
2011 and thereafter	17	286,732	54.6%	87.9%	\$22.89	\$21.84
<b>Total/Weighted Average</b>	<b>41</b>	<b>461,748</b>	<b>87.9%</b>			
<b>Total New Jersey Office Square Feet</b>		<b>525,016</b>				

**Flex Properties**

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft	Current Average Rent <sup>(1)</sup>	Current Cash Rent <sup>(2)</sup>
2006	0	-	0.0%	0.0%	\$0.00	\$0.00
2007	0	-	0.0%	0.0%	\$0.00	\$0.00
2008	1	8,169	1.6%	1.6%	\$17.32	\$17.11
2009	0	-	0.0%	1.6%	\$0.00	\$0.00
2010	1	245,704	49.1%	50.7%	\$13.81	\$13.22
2011 and thereafter	3	118,428	23.7%	74.4%	\$11.76	\$10.94
<b>Total/Weighted Average</b>	<b>5</b>	<b>372,301</b>	<b>74.4%</b>			
<b>Total Flex Square Feet</b>		<b>500,131</b>				

Note: Tenants that have expired on 30 June 2006 are not included.

Expiry exposure has been adjusted for preleased units.

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

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

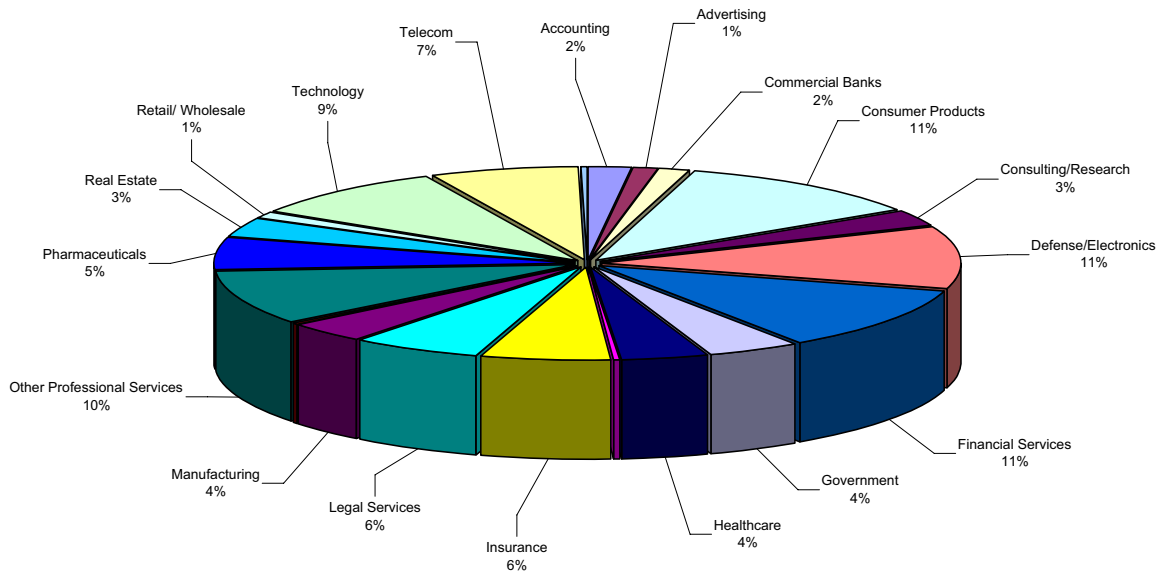
## Top 25 Tenants <sup>(1)</sup>

(Based on Base Rental Revenue)

Tenant Name	Wtd. Avg. Term Remaining (Years)	Total Square Feet	Base Rental Revenue
Arrow Electronics Inc.	7.5	163,762	6.8%
Clairol Corporation	0.8	117,097	5.4%
Perkin Elmer Inc.	4.0	245,704	4.4%
Lockheed Martin Corp.	2.3	123,554	4.2%
Radianz US	14.9	130,009	4.1%
Amscan Inc	8.5	120,024	3.5%
Bayer Healthcare LLC	8.1	81,079	2.9%
American Home Mortgage	2.6	57,063	2.1%
Philip Morris Mgmt. Co.	4.3	41,911	1.9%
Lincoln Educational Svcs. Corp	8.0	57,486	1.8%
US Trust Company NA	4.6	40,384	1.7%
Ampacet Corporation	3.8	41,908	1.6%
Verizon Directory Service	1.8	40,836	1.5%
DHS FAMS-FAA WJ Hughes	7.4	29,372	1.3%
Oracle USA Inc	1.4	29,429	1.3%
Herbert L. Jamison & Co	7.9	31,391	1.2%
HQ Global Workplaces	2.0	35,416	1.2%
Liberty Mutual	1.0	33,085	1.1%
AC Nielsen	8.6	35,556	1.1%
Patient Care Inc	3.5	29,728	1.1%
Quaker Sales and Distribution	2.8	24,514	1.0%
Xerox Corporation	5.0	24,330	1.0%
AT&T GRE	2.3	22,657	0.9%
Hoffman & Baron LLP	4.1	21,676	0.9%
AIG Domestic Claims Inc	0.1	24,158	0.9%

## Tenant Diversification <sup>(1)</sup>

Total Portfolio



(1) Based on all three tranches. Ranked by 100% of annualized base rental revenue. Based on monthly rent in place as of 1 July 2006.

**Non-Incremental Revenue Generating Capital Expenditures,  
Tenant Improvement Costs and Leasing Commissions**

The following table summarizes the expenditures incurred for capital expenditures and for tenant improvements and leasing commissions for space leased during 2005 and for the six month period ended 30 June 2006

**Non-Incremental Revenue Generating Capital Expenditures <sup>(1)</sup>**

	2005	YTD 2006
Connecticut		
Total	\$0	\$4,180
Per Square Foot	\$0.00	\$0.01
Long Island		
Total	\$37,250	\$71,105
Per Square Foot	\$0.06	\$0.08
New Jersey		
Total	\$70,739	\$38,262
Per Square Foot	\$0.18	\$0.10
Westchester		
Total	\$103,420	\$16,286
Per Square Foot	\$0.16	\$0.02

**Non-Incremental Revenue Generating Tenant Improvements and Leasing Commissions <sup>(2)</sup>**

	2005	YTD 2006	New	Renewal
Connecticut				
Tenant Improvements	\$0	\$162,162	\$90,516	\$71,646
Per Square Foot Improved	\$0.00	\$17.00	\$24.57	\$12.24
Leasing Commissions	\$0	\$96,046	\$52,145	\$43,901
Per Square Foot Leased	\$0.00	\$10.07	\$14.15	\$7.50
Total Per Square Foot	\$0.00	\$27.07	\$38.72	\$19.74
Long Island				
Tenant Improvements	\$282,448	\$356,761	\$308,044	\$48,717
Per Square Foot Improved	\$8.08	\$4.52	\$5.71	\$1.95
Leasing Commissions	\$226,056	\$455,597	\$343,025	\$112,572
Per Square Foot Leased	\$6.47	\$5.78	\$6.36	\$4.52
Total Per Square Foot	\$14.55	\$10.30	\$12.07	\$6.47
New Jersey				
Tenant Improvements	\$127,213	\$2,186,041	\$120,329	\$2,065,712
Per Square Foot Improved	\$24.35	\$14.44	\$13.15	\$14.53
Leasing Commissions	\$49,955	\$1,868,601	\$66,830	\$1,801,771
Per Square Foot Leased	\$9.56	\$12.35	\$7.30	\$12.67
Total Per Square Foot	\$33.91	\$26.79	\$20.45	\$27.20
Westchester				
Tenant Improvements	\$759,164	\$955,077	\$542,009	\$413,068
Per Square Foot Improved	\$8.43	\$12.23	\$19.13	\$8.30
Leasing Commissions	\$784,289	\$550,552	\$261,545	\$289,007
Per Square Foot Leased	\$8.71	\$7.05	\$9.23	\$5.81
Total Per Square Foot	\$17.14	\$19.28	\$28.36	\$14.11

(1) Represents capital expenditures at 100% of cost for all Tranche I and Tranche II properties.

(2) Represents tenant improvements and leasing committed (at 100% of cost) on leases signed during the period for all Tranche I and II properties.

**Analysis of Capital Expenditures, Tenant Improvements and Leasing Costs**  
*As of 30 June 2006*

<b>CAPITAL EXPENDITURES <sup>(1)</sup></b>	<b>1H06 Costs</b>	<b>Costs Per Square Foot</b>	<b>YTD Costs</b>	<b>Costs Per Square Foot</b>
<b>Non-Incremental Capital Expenditures</b>	\$129,833	\$0.05	\$129,833	\$0.05

<b>TENANT IMPROVEMENTS AND LEASING COSTS</b>	<b>1H06 Costs</b>	<b>Costs Per Square Foot</b>	<b>Wtd. Avg. Cost/SF Per Yr</b>	<b>YTD Costs</b>	<b>Costs Per Square Foot</b>	<b>Wtd. Avg. Cost/SF Per YR</b>
<b>COMMITTED <sup>(2)</sup></b>						
<b>Non-Incremental</b>						
Leasing Costs	\$2,970,797 <sup>(4)</sup>	\$9.35	\$1.33	\$2,970,797 <sup>(4)</sup>	\$9.35	\$1.33
Tenant Improvements	3,660,042 <sup>(4)</sup>	\$11.52	\$1.54	3,660,042 <sup>(4)</sup>	\$11.52	\$1.54
<b>Total/Weighted Average</b>	<u>\$6,630,839</u>	<u>\$20.87</u>	<u>\$2.87</u>	<u>\$6,630,839</u>	<u>\$20.87</u>	<u>\$2.87</u>

<b>TENANT IMPROVEMENTS AND LEASING COSTS</b>	<b>1H06 Costs</b>	<b>YTD Costs</b>
<b>PAID <sup>(3)</sup></b>		
<b>Non-Incremental</b>		
Leasing Costs	\$2,650,374 <sup>(5)</sup>	\$2,650,374 <sup>(5)</sup>
Tenant Improvements	613,315	613,315
<b>Total/Weighted Average</b>	<u>\$3,263,689</u>	<u>\$3,263,689</u>
<b>Incremental</b>		
Leasing Costs	\$0	\$0
Tenant Improvements	38,850	38,850
<b>Total/Weighted Average</b>	<u>\$38,850</u>	<u>\$38,850</u>
<b>Total/Weighted Average</b>	<u>\$3,302,539</u>	<u>\$3,302,539</u>

(1) Represents capital expenditures at 100% of cost for all Tranche I and Tranche II assets.

(2) Represents tenant improvements and leasing committed (at 100% of cost) on leases signed during the period for all Tranche I and Tranche II assets.

(3) Represents tenant improvements and leasing costs paid during the period for all Tranche I and Tranche II assets.

(4) Includes tenant improvements of \$2.0 million and leasing commissions of \$1.7 million for the early renewal of a 130,009 square foot lease to BT Radianz Americas at 492 River Road in Nutley, NJ.

(5) Includes \$1.7 million leasing commission payment for the early renewal of a 130,009 square foot lease to BT Radianz Americas at 492 River Road in Nutley, NJ.

**Tenant Improvements and Leasing Costs**  
As of 30 June 2006

<b>COMMITTED <sup>(1)</sup></b>	<b>2005</b>	<b>2006 YTD</b>
<b><u>Non-Incremental</u></b>		
Leasing Costs	\$1,060,300	\$2,970,797 <sup>(4)</sup>
Tenant Improvements	<u>1,168,825</u>	<u>3,660,042</u> <sup>(4)</sup>
<b>Total Non-Incremental</b>	<b><u>\$2,229,125</u></b>	<b><u>\$6,630,839</u></b>

<b>PAID <sup>(2)</sup></b>	<b>2005</b>	<b>#</b>	<b>2006 YTD</b>
<b><u>Non-Incremental</u></b>			
Leasing Costs	\$1,404,767		\$2,650,374 <sup>(5)</sup>
Tenant Improvements	<u>\$54,020</u>		<u>\$613,315</u>
<b>Total Non-Incremental</b>	<b><u>\$1,458,787</u></b>		<b><u>\$3,263,689</u></b>
<b><u>Incremental <sup>(3)</sup></u></b>			
Leasing Costs	\$0		\$0
Tenant Improvements	<u>0</u>		<u>38,850</u>
<b>Total Incremental</b>	<b><u>\$0</u></b>		<b><u>\$38,850</u></b>
<b>Total Paid or Accrued</b>	<b><u>\$1,458,787</u></b>		<b><u>\$3,302,539</u></b>

- (1) Represents tenant Improvements and leasing committed (at 100% of cost) on leases signed during the period for all Tranche I and Tranche II assets.
- (2) Represents tenant improvements and leasing costs paid during the period for all Tranche I and Tranche II assets.
- (3) Represents tenant improvements and leasing costs on incremental leases/repositionings.
- (4) Includes tenant improvements of \$2.0 million and leasing commissions of \$1.7 million for the early renewal of a 130,009 square foot lease to BT Radianz Americas at 492 River Road in Nutley, NJ.
- (5) Includes \$1.7 million leasing commission payment for the early renewal of a 130,009 square foot lease to BT Radianz Americas at 492 River Road in Nutley, NJ.

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**Capital Expenditures**

As of 30 June 2006

<b>CAPITAL EXPENDITURES</b>	<b>2005 Total <sup>(1)</sup></b>	<b>2006 Total YTD <sup>(2)</sup></b>
<b>Recurring - Non Incremental</b>		
Amenities (Health Club, Café, etc.)	\$3,593	\$27,063
Bathrooms	17,763	9,971
Corridors	47,375	5,977
Elevators	0	0
Exterior Renovation	12,617	4,868
Lobby	0	17,998
Mechanical, Electrical & Plumbing	58,674	24,447
Other	0	12,488
Parking Lots	51,636	18,401
Roofs	19,751	0
Security	0	8,620
<b>Total Recurring - Non Incremental</b>	<b>\$211,409</b>	<b>\$129,833</b>
<b>Amount Per Square Foot</b>		
Connecticut	\$0.00	\$0.01
Long Island	\$0.06	\$0.08
New Jersey	\$0.18	\$0.10
Westchester	\$0.16	\$0.02
Weighted Average	<b>\$0.11</b>	<b>\$0.05</b>
<hr/>		
Rentable SF	1,944,782	2,675,477
# of Buildings	17	19

(1) Represents capital expenditures at 100% of cost for all Tranche I assets.

(2) Represents capital expenditures at 100% of cost for all Tranche I and Tranche II assets.