

9 January 2006

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

RECKSON NEW YORK PROPERTY TRUST (ASX:RNYCA)

Announces tranche II closing

Reckson Australia Management Limited (the Company) in its capacity as the responsible entity of Reckson New York Property Trust (the Trust), advises that the Trust has closed the acquisition of the tranche II properties on 7 January 2006. In the tranche II closing, the Trust purchased a 75% indirect interest in three suburban core plus office properties. This closing is part of a broader transaction in which the Trust agreed to purchase a portfolio of 25 office properties located in the New York Tri-State area. In September 2005, the Trust closed on tranche I of the transaction and purchased a 75% interest in 17 core plus office properties. The Trust will complete the final tranche of the transaction by acquiring a 75% interest in the remaining five properties in October 2006.

The tranche II properties contain 760,986 square feet and were acquired from affiliates of Reckson Associates Realty Corp (Reckson) (NYSE:RA) for approximately US\$84.6 million (approximately A\$113.2 million). Reckson has retained a 25% indirect interest in these properties.

The tranche II properties were purchased with a combination of US\$72 million of ten-year fixed rate mortgage debt, at an all-in rate of 5.45%, and borrowings under the Trust's unsecured line of credit. Five of the unencumbered tranche I properties and two of the acquired tranche II properties were encumbered with the fixed rate mortgage debt. Additionally, the institutions in the Company's line of credit have granted the Company a temporary increase (until 31 December 2006) in the amount available under such line of credit to US\$37.5 million.

The three properties acquired were 6800 and 6900 Jericho Turnpike, a 207,583 square foot and 100,989 square foot building, respectively, located on Long Island, New York and 710 Bridgeport Avenue, a 452,414 square foot building, located in Fairfield County, Connecticut. The Company swapped the purchase of 710 Bridgeport Avenue (originally proposed to be a tranche III property) with 580 White Plains Road (originally proposed to be a tranche II property). The swap of the properties was utilized to mitigate the additional cost of the fixed rate mortgage debt. The Company decided to utilize fixed rate mortgage debt (rather than floating rate debt) in response to a steepening in the forward LIBOR curve, while the U.S. treasury curve has flattened.

The Trust is managed by RAML, an Australian licensed responsible entity which is wholly owned by Reckson Operating Partnership, L.P., an affiliate of Reckson Associates Realty Corp. (NYSE: RA). 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.

Reckson is a self-administered and self-managed real estate investment trust (REIT) specializing in the acquisition, leasing, financing, management and development of Class A office properties. Reckson was founded 48 years ago and was first listed on the New York Stock Exchange in 1995. Reckson is one of the largest publicly traded owners, managers and developers of Class A office properties in the New York Tri-State area.

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

For further information:

Investors

Francis Sheehan
Fund Manager, Reckson NYPT
Tel: 02 9293 2910

Media

Peter Brookes
Cannings
Tel: 02 8284 9966

U.S. contact

Michael Maturo
Chief Financial Officer
Tel: 631-622-6630