

RNY Property Trust



For the Period Ended 31 December 2014
Supplemental Operating and Financial Data

27 February 2015

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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 Realty is one of the largest owners, managers, and developers in the Tri-State Area with approximately \$10.0 billion of assets under management, comprised of 92 investments containing approximately 21.2 million square feet (including one property under contract, expected to close 1Q-2015).

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”). 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 A-note matured in October 2014 and the lender commenced a foreclosure proceeding on 20 January 2015. At 31 December 2014, the Trust had assigned no value to its interest in the JV. Accordingly, such foreclosure proceedings will have no impact on the value of the Trust.

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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Executive Officers

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

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Reporting Schedule

Half Year Results	Early August
Full Year Results	Late February

Debt Summary at 31 December 2014*(US Dollars in thousands)***Debt Maturity and Repayment Schedule**

Year	Scheduled Debt Repayments
2015	3,157
2016	75,294
2017	187,647
Total Debt	\$266,098

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	7,330	4.25%	January, 2017	25
505 White Plains Road, Tarrytown, NY	754	4.25%	January, 2017	25
580 White Plains Road, Tarrytown, NY	7,695	4.25%	January, 2017	25
300 Motor Parkway, Hauppauge, NY	2,780	4.25%	January, 2017	25
710 Bridgeport Avenue, Shelton, CT	21,159	4.25%	January, 2017	25
35 Pinelawn Road, Melville, NY	9,244	5.28%	May, 2017	30
150 Motor Parkway, Hauppauge, NY	15,837	5.28%	May, 2017	30
660 White Plains Road, Tarrytown, NY	19,103	5.28%	May, 2017	30
100 Executive Drive, West Orange, NJ	5,731	5.28%	May, 2017	30
100 Grasslands Road, Elmsford, NY	5,731	5.28%	May, 2017	30
80 Grasslands Road, Elmsford, NY	8,751	5.28%	May, 2017	30
200 Executive Drive, West Orange, NJ	6,039	5.28%	May, 2017	30
492 River Road, Nutley, NJ	23,294	5.28%	May, 2017	30
225 Highridge Road, Stamford, CT	24,650	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	\$266,098	6.18%	1.9 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%	0.0 years	

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

(2) The debt is currently in default and the lender has commenced foreclosure proceedings

Same Property Performance ⁽¹⁾

For the 6 month period ended 31 December 2014 vs. 31 December 2013

(In thousands)

Regional Breakdown

	Cash Revenue ⁽²⁾			
	2H 14	2H 13	\$ Change	% Change
Connecticut	\$5,564	\$5,714	(\$151)	(2.6%)
Long Island	10,126	9,722	405 ⁽³⁾	4.2%
New Jersey	4,640	5,118	(478) ⁽⁴⁾	(9.3%)
Westchester	8,628	9,642	(1,015) ⁽⁵⁾	(10.5%)
Total	\$28,958	\$30,197	(\$1,238)	(4.1%)

	Cash Operating Expenses ⁽⁶⁾			
	2H 14	2H 13	\$ Change	% Change
Connecticut	\$1,792	\$1,623	\$169 ⁽⁷⁾	10.4%
Long Island	2,867	2,928	(61)	(2.1%)
New Jersey	1,270	1,303	(34)	(2.6%)
Westchester	3,157	3,220	(63)	(2.0%)
Total	\$9,086	\$9,074	\$12	0.1%

	Real Estate Taxes			
	2H 14	2H 13	\$ Change	% Change
Connecticut	\$678	\$664	\$14	2.1%
Long Island	2,299	2,239	61	2.7%
New Jersey	1,179	1,071	108 ⁽⁸⁾	10.1%
Westchester	1,701	1,777	(76) ⁽⁹⁾	(4.3%)
Total	\$5,858	\$5,752	\$106	1.8%

	Cash NOI			
	2H 14	2H 13	\$ Change	% Change
Connecticut	\$3,093	\$3,426	(\$333)	(9.7%)
Long Island	4,960	4,555	405	8.9%
New Jersey	2,191	2,744	(553)	(20.1%)
Westchester	3,770	4,645	(875)	(18.8%)
Total	\$14,014	\$15,371	(\$1,356)	(8.8%)

(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 at 150 Motor Parkway and the 14,661 SF of new leases at 35 Pinelawn Road.

(4) Primarily related to the expiration of approximately 40K SF at 100 Executive Drive.

(5) Primarily related to the lease expiration of Bayer Healthcare (94,717 SF) at 555 White Plains Road.

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

(7) Primarily related to an increase in repairs to the parking lot at 225 High Ridge and generator repairs at 710 Bridgeport Avenue.

(8) Primarily related to an increase in assessed value in 2014 for 100 Executive Drive.

(9) Primarily related to a successful tax cert at 560 White Plains Road.

Same Property Performance ⁽¹⁾

For the 12 month period ended 31 December 2014 vs. 31 December 2013

(In thousands)

Regional Breakdown

	Cash Revenue ⁽²⁾			
	2014	2013	\$ Change	% Change
Connecticut	\$11,190	\$11,376	(\$186) ⁽³⁾	(1.6%)
Long Island	20,292	20,170	123 ⁽⁴⁾	0.6%
New Jersey	9,802	10,238	(436) ⁽⁵⁾	(4.3%)
Westchester	18,273	18,370	(97)	(0.5%)
Total	\$59,558	\$60,154	(\$596)	(1.0%)

	Cash Operating Expenses ⁽⁶⁾			
	2014	2013	\$ Change	% Change
Connecticut	\$3,457	\$3,175	\$282 ⁽⁷⁾	8.9%
Long Island	5,934	5,780	154 ⁽⁸⁾	2.7%
New Jersey	2,730	2,554	176 ⁽⁹⁾	6.9%
Westchester	6,423	6,120	303 ⁽¹⁰⁾	4.9%
Total	\$18,544	\$17,629	\$915	5.2%

	Real Estate Taxes			
	2014	2013	\$ Change	% Change
Connecticut	\$1,343	\$1,421	(\$79)	(5.5%)
Long Island	4,588	4,509	79	1.7%
New Jersey	2,304	2,248	55	2.5%
Westchester	3,449	3,506	(57)	(1.6%)
Total	\$11,683	\$11,685	(\$2)	(0.0%)

	Cash NOI			
	2014	2013	\$ Change	% Change
Connecticut	\$6,390	\$6,780	(\$390)	(5.8%)
Long Island	9,771	9,880	(109)	(1.1%)
New Jersey	4,768	5,436	(668)	(12.3%)
Westchester	8,402	8,744	(342)	(3.9%)
Total	\$29,332	\$30,841	(\$1,509)	(4.9%)

(1) Excludes BRE/Melville JV assets.

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

(3) Primarily attributed to decrease in operating expense and real estate tax recovery at 225 High Ridge Road, as a result of the expiration of 26K SF in 2014.

(4) Primarily related to the burn off of free rent at 150 Motor Parkway and the 14,661 SF of new leases at 35 Pinelawn Road, offset by the early termination of 15K SF at 300 Motor Parkway at the end of 2013.

(5) Primarily related to the expiration of approximately 40K SF at 100 Executive Drive.

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

(7) Primarily related to an increase in commodity rates on electric at 225 High Ridge and increases in electric, gas, and generator repairs at 710 Bridgeport Avenue.

(8) Primarily related to an increase in snow removal additional and landscaping additional across the Long Island portfolio.

(9) Primarily related to the insurance deductible for a hot water heater flood at 300 Executive Drive, in addition to increases in landscaping and stone repairs across the New Jersey portfolio.

(10) Primarily related to an increase in the fixed commodity rate contract for electric across the Westchester portfolio.

Occupancy Analysis

As of 31 December 2014

	# of Bldgs	Rentable Square Feet ⁽¹⁾	Occupancy As of 31/12/14	Occupancy As of 30/06/14	Occupancy As of 31/12/13	Rentable Sq. Ft. as a % of Portfolio	NOI as a % of Portfolio ⁽²⁾
Long Island							
Eastern Nassau							
6800 Jericho Turnpike		209,222	85.1%	83.4%	83.7%	7.0%	6.2%
6900 Jericho Turnpike		95,343	78.2%	81.0%	86.6%	3.2%	3.1%
Total Eastern Nassau	2	304,565	82.9%	82.6%	84.6%	10.2%	9.3%
Central Nassau							
55 Charles Lindbergh Boulevard		214,581	94.6%	94.6%	94.6%	7.2%	9.5%
Total Central Nassau	1	214,581	94.6%	94.6%	94.6%	7.2%	9.5%
Central Suffolk							
150 Vanderbilt Motor Parkway		184,228	73.0%	74.6%	74.6%	6.2%	7.4%
300 Vanderbilt Motor Parkway		59,383	53.7%	53.7%	53.7%	2.0%	0.7%
Total Central Suffolk	2	243,611	68.3%	69.5%	69.5%	8.2%	8.1%
Western Suffolk							
35 Pinelawn Road		110,908	86.0%	82.5%	75.9%	3.7%	3.5%
200 Broadhollow Road		68,952	76.7%	84.3%	84.3%	2.3%	2.7%
Total Western Suffolk	2	179,860	82.5%	83.2%	79.1%	6.0%	6.2%
Total Long Island	7	942,617	81.7%	82.1%	81.9%	31.6%	33.2%
New Jersey							
Rt. 23/GSP Corridor							
492 River Road		130,009	100.0%	100.0%	100.0%	4.4%	9.7%
Total Rt. 23/GSP Corridor	1	130,009	100.0%	100.0%	100.0%	4.4%	9.7%
Rt. 280 Corridor							
100 Executive Drive		93,011	26.1%	26.1%	69.6%	3.1%	-0.1%
200 Executive Drive		106,327	48.9%	52.4%	52.4%	3.6%	1.0%
300 Executive Drive		125,440	73.0%	73.3%	73.3%	4.2%	3.8%
10 Rooney Circle		70,873	41.4%	41.4%	41.4%	2.4%	1.6%
Total Rt. 280 Corridor	4	395,651	49.8%	50.9%	61.1%	13.3%	6.2%
Total New Jersey	5	525,660	62.3%	63.0%	70.7%	17.6%	16.0%
Westchester							
Tarrytown							
505 White Plains Road		26,610	69.8%	71.1%	73.7%	0.9%	0.2%
555 White Plains Road		125,497	26.8%	100.0%	100.0%	4.2%	3.3%
560 White Plains Road		126,144	62.4%	66.8%	68.8%	4.2%	2.4%
580 White Plains Road		171,366	80.8%	80.2%	79.6%	5.7%	5.6%
660 White Plains Road		254,041	88.4%	88.3%	90.4%	8.5%	11.2%
Total Tarrytown	5	703,658	70.2%	83.9%	85.0%	23.6%	22.8%
Elmsford							
80 Grasslands Road		87,055	100.0%	100.0%	100.0%	2.9%	3.5%
100 Grasslands Road		47,720	100.0%	100.0%	100.0%	1.6%	2.5%
Total Standalone	2	134,775	100.0%	100.0%	100.0%	4.5%	6.0%
Total Westchester	7	838,433	75.0%	86.5%	87.4%	28.1%	28.8%
Connecticut							
Stamford							
225 Highridge Road		223,940	76.8%	80.9%	86.9%	7.5%	13.7%
710 Bridgeport Avenue		452,414	73.9%	73.9%	75.4%	15.2%	8.4%
Total Connecticut	2	676,354	74.9%	76.2%	79.2%	22.7%	22.1%
TOTAL PORTFOLIO	21	2,983,064	74.8%	78.6%	80.9%	100.0%	100.0%
BRE/Melville							
50 Marcus Drive		163,762	0.0%	0.0%	100.0%	49.5%	50.0%
1660 Walt Whitman Road		78,379	22.1%	22.1%	35.5%	23.7%	25.0%
520 Broadhollow Road		88,631	22.6%	22.6%	22.6%	26.8%	25.0%
Total BRE/Melville	3	330,772	11.3%	11.3%	64.0%	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 2014 through 31 December 2014.

Lease Activity

For the 6 Months Ending 31 December 2014

	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	5	14,546	4	21,480	4	8,976	5	118,413	1	3,329	1	5,343	11	136,061
New Jersey	1	1,660	-	-	-	-	2	6,104	2	50,446	2	3,028	6	59,578
Connecticut	2	11,766	-	-	-	-	1	20,981	-	-	-	-	1	20,981
Westchester	10	101,818	-	-	1	2,500	5	5,273	3	10,629	3	3,546	12	21,948
Total NYPT Portfolio	18	129,790	4	21,480	5	11,476	13	150,771	6	64,404	6	11,917	30	238,568

OUTSTANDING SHORT TERM LEASES / HOLDOVERS

	#	SF
Long Island Office	4	21,480
Total Office	4	21,480

EARLY TERMINATIONS FOR CURRENT PERIOD

	#	Terminated SF	Released SF	Vacant SF
Long Island Office	4	5,784	0	5,784
New Jersey Office	1	3,428	0	3,428
Connecticut Office	1	7,020	0	7,020
Westchester Office	2	17,654	0	17,654
Total Office	8	33,886	0	33,886

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 Ending 31 December 2014

Executed Leases ⁽¹⁾

	# of Transactions	Total Sq. Ft.	Average Base Rent	Average Term (Years)
<i>Office Properties</i>				
Long Island	11	136,061	\$27.75	3.3
Westchester	12	21,948	\$24.57	6.4
Connecticut	1	20,981	\$18.50	3.3
New Jersey	6	59,578	\$21.69	1.8
Total/Weighted Average	30	238,568	\$25.13	3.2

Same Space Statistics ⁽²⁾

	Total Sq. Ft.	Average Rent			Base Rent		
		Expiring Rent	New Rent ⁽³⁾	% Change	Expiring Rent ⁽⁴⁾	New Rent ⁽³⁾⁽⁴⁾	% Change
Long Island							
New	6,825	\$27.49	\$24.69	(10.2%)	\$30.09	\$22.51	(25.2%)
Renewal	118,413	\$26.78	\$28.01	4.6%	\$27.67	\$27.46	(0.8%)
Total/Weighted Average	125,238	\$26.82	\$27.83	3.8%	\$27.80	\$27.19	(2.2%)
Connecticut							
Renewal	20,981	\$32.23	\$30.51	(5.3%)	\$32.48	\$30.98	(4.6%)
Total/Weighted Average	20,981	\$32.23	\$30.51	(5.3%)	\$32.48	\$30.98	(4.6%)
Westchester							
New	4,451	\$22.55	\$21.96	(2.6%)	\$23.82	\$21.13	(11.3%)
Renewal	14,513	\$21.55	\$24.24	12.5%	\$22.72	\$23.43	3.1%
Total/Weighted Average	18,964	\$21.78	\$23.70	8.8%	\$22.98	\$22.89	(0.4%)
New Jersey							
New	2,301	\$20.21	\$20.60	1.9%	\$22.50	\$20.75	(7.8%)
Renewal	8,841	\$21.30	\$21.92	2.9%	\$23.08	\$21.71	(5.9%)
Total/Weighted Average	11,142	\$21.07	\$21.65	2.7%	\$22.96	\$21.51	(6.3%)
Total/Weighted Average	176,325	\$26.56	\$27.31	2.8%	\$27.53	\$26.82	(2.6%)

Tenant Retention ⁽⁵⁾

	Leases Expiring	Sq. Ft Expiring	Sq. Ft Renewing	Renewal Percentage
Long Island	11	136,288	121,742	89.3%
Connecticut	3	32,747	20,981	64.1%
Westchester	18	117,720	15,902	13.5%
New Jersey	6	58,210	56,550	97.1%
Total/Weighted Average	38	344,965	215,175	62.4%

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

(2) Excludes 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 2014

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	21	161,845	\$27.14	3.7
Westchester	18	90,210	\$23.65	4.2
Connecticut	3	26,294	\$21.35	3.7
New Jersey	6	59,578	\$21.69	1.8
Total/Weighted Average	48	337,927	\$24.80	3.5
<i>Flex Properties</i>				
Connecticut	2	88,637	\$4.76	4.9
Total/Weighted Average	2	88,637	\$4.76	4.9
Total/Weighted Average	50	426,564	\$20.63	3.8

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	15,970	\$23.37	\$22.72	(2.8%)	\$25.62	\$22.20	(13.3%)
Renewal	123,478	\$26.67	\$27.80	4.2%	\$27.66	\$27.26	(1.4%)
Total/Weighted Average	139,448	\$26.29	\$27.22	3.5%	\$27.43	\$26.68	(2.7%)
<i>Connecticut</i>							
New	2,008	\$31.73	\$29.27	(7.8%)	\$31.73	\$28.50	(10.2%)
Renewal	24,286	\$31.33	\$30.34	(3.2%)	\$31.60	\$30.64	(3.0%)
Total/Weighted Average	26,294	\$31.36	\$30.26	(3.5%)	\$31.61	\$30.48	(3.6%)
<i>Westchester</i>							
New	21,800	\$22.41	\$20.97	(6.4%)	\$25.92	\$22.62	(12.7%)
Renewal	64,081	\$21.29	\$24.32	14.2%	\$23.79	\$24.02	1.0%
Total/Weighted Average	85,881	\$21.57	\$23.47	8.8%	\$24.33	\$23.66	(2.7%)
<i>New Jersey</i>							
New	2,301	\$20.21	\$20.60	1.9%	\$22.50	\$20.75	(7.8%)
Renewal	8,841	\$21.30	\$21.92	2.9%	\$23.08	\$21.71	(5.9%)
Total/Weighted Average	11,142	\$21.07	\$21.65	2.7%	\$22.96	\$21.51	(6.3%)
Total/Weighted Average	262,765	\$25.04	\$26.06	4.1%	\$26.64	\$25.86	(3.0%)

Tenant Retention ⁽⁵⁾

	<u>Leases Expiring</u>	<u>Sq. Ft Expiring</u>	<u>Sq. Ft Renewing</u>	<u>Renewal Percentage</u>
Long Island	17	149,158	131,269	88.0%
Connecticut	7	131,249	112,923	86.0%
Westchester	23	172,245	65,470	38.0%
New Jersey	11	100,714	56,550	56.1%
Total/Weighted Average	58	553,366	366,212	66.2%

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

(2) Excludes 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 2015**

Total Portfolio

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2015	48	216,119	7.3%	7.3%
2016	38	368,688	12.5%	19.8%
2017	41	309,018	10.5%	30.3%
2018	37	234,707	7.9%	38.2%
2019	22	257,339	8.7%	46.9%
2020 and thereafter	41	816,669	27.6%	74.5%
Total/Weighted Average	227	2,202,540	74.5%	
Total Portfolio Square Feet		2,956,454		

Office Portfolio

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Office Sq Ft	Cumulative % of Total Portfolio Sq Ft
2015	47	206,359	8.4%	8.4%
2016	38	368,688	15.0%	23.4%
2017	41	309,018	12.6%	36.0%
2018	36	226,538	9.2%	45.2%
2019	21	178,462	7.3%	52.5%
2020 and thereafter	39	531,414	21.6%	74.1%
Total/Weighted Average	222	1,820,479	74.1%	
Total Office Portfolio Square Feet		2,456,320		

Flex Portfolio

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Flex Sq Ft	Cumulative % of Total Portfolio Sq Ft
2015	1	9,760	2.0%	2.0%
2016	0	0	0.0%	2.0%
2017	0	0	0.0%	2.0%
2018	1	8,169	1.6%	3.6%
2019	1	78,877	15.8%	19.4%
2020 and thereafter	2	285,255	57.0%	76.4%
Total/Weighted Average	5	382,061	76.4%	
Total Flex Portfolio Square Feet		500,134		

**Lease Expiration Schedule - Adjusted for Preleased Space
As of 1 January 2015**

Long Island Office ⁽⁴⁾

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⁾
2015	30	135,555	14.4%	14.4%	\$25.64	\$28.83
2016	12	62,400	6.6%	21.0%	\$23.38	\$25.82
2017	21	202,981	21.5%	42.5%	\$26.57	\$26.97
2018	18	88,623	9.4%	51.9%	\$24.13	\$25.78
2019	14	134,217	14.2%	66.1%	\$16.23	\$16.60
2020 and thereafter	22	144,686	15.4%	81.5%	\$24.37	\$23.42
Total/Weighted Average	117	768,462	81.5%			
Total Long Island Office Square Feet		942,617				

Westchester Office ⁽⁵⁾

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⁾
2015	11	42,356	5.5%	5.5%	\$23.34	\$23.85
2016	16	94,165	12.3%	17.8%	\$20.63	\$22.97
2017	16	72,176	9.5%	27.3%	\$23.13	\$24.02
2018	13	97,167	12.7%	40.0%	\$23.14	\$24.13
2019	6	38,149	5.0%	45.0%	\$23.08	\$23.34
2020 and thereafter	10	218,496	28.6%	73.6%	\$22.08	\$21.19
Total/Weighted Average	72	562,509	73.6%			
Total Westchester Office Square Feet		764,103				

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⁾
2015	1	1,452	0.6%	0.6%	\$25.68	\$28.43
2016	4	119,989	53.6%	54.2%	\$32.92	\$36.16
2017	1	8,446	3.8%	58.0%	\$30.02	\$30.03
2018	1	20,981	9.4%	67.4%	\$31.17	\$32.67
2019	1	6,096	2.7%	70.1%	\$30.19	\$29.07
2020 and thereafter	1	5,313	2.4%	72.5%	\$30.36	\$28.61
Total/Weighted Average	9	162,277	72.5%			
Total Connecticut Office Square Feet		223,940				

Note: Tenants that have expired on 31 December 2014 are not included. (1,788 SF in Long Island, 9,723 SF in Connecticut)

(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.

(4) Excludes BRE/Melville JV assests.

(5) Excludes 505 White Plains Road, sold in January 2015.

**Lease Expiration Schedule - Adjusted for Preleased Space
As of 1 January 2015**

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⁾
2015	5	26,996	5.1%	5.1%	\$22.24	\$22.88
2016	6	92,134	17.5%	22.6%	\$26.86	\$27.37
2017	3	25,415	4.8%	27.4%	\$19.72	\$21.57
2018	4	19,767	3.8%	31.2%	\$22.23	\$22.32
2019	-	-	0.0%	31.2%	-	-
2020 and thereafter	6	162,919	31.0%	62.2%	\$27.62	\$26.58
Total/Weighted Average	24	327,231	62.2%			
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⁾
2015	1	9,760	2.0%	2.0%	\$6.63	\$6.63
2016	-	-	0.0%	2.0%	-	-
2017	-	-	0.0%	2.0%	-	-
2018	1	8,169	1.6%	3.6%	\$18.89	\$18.09
2019	1	78,877	15.8%	19.4%	\$5.19	\$4.91
2020 and thereafter	2	285,255	57.0%	76.4%	\$13.33	\$13.12
Total/Weighted Average	5	382,061	76.4%			
Total Flex Square Feet		500,134				

Note: Tenants that have expired on 31 December 2014 are not included.

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

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

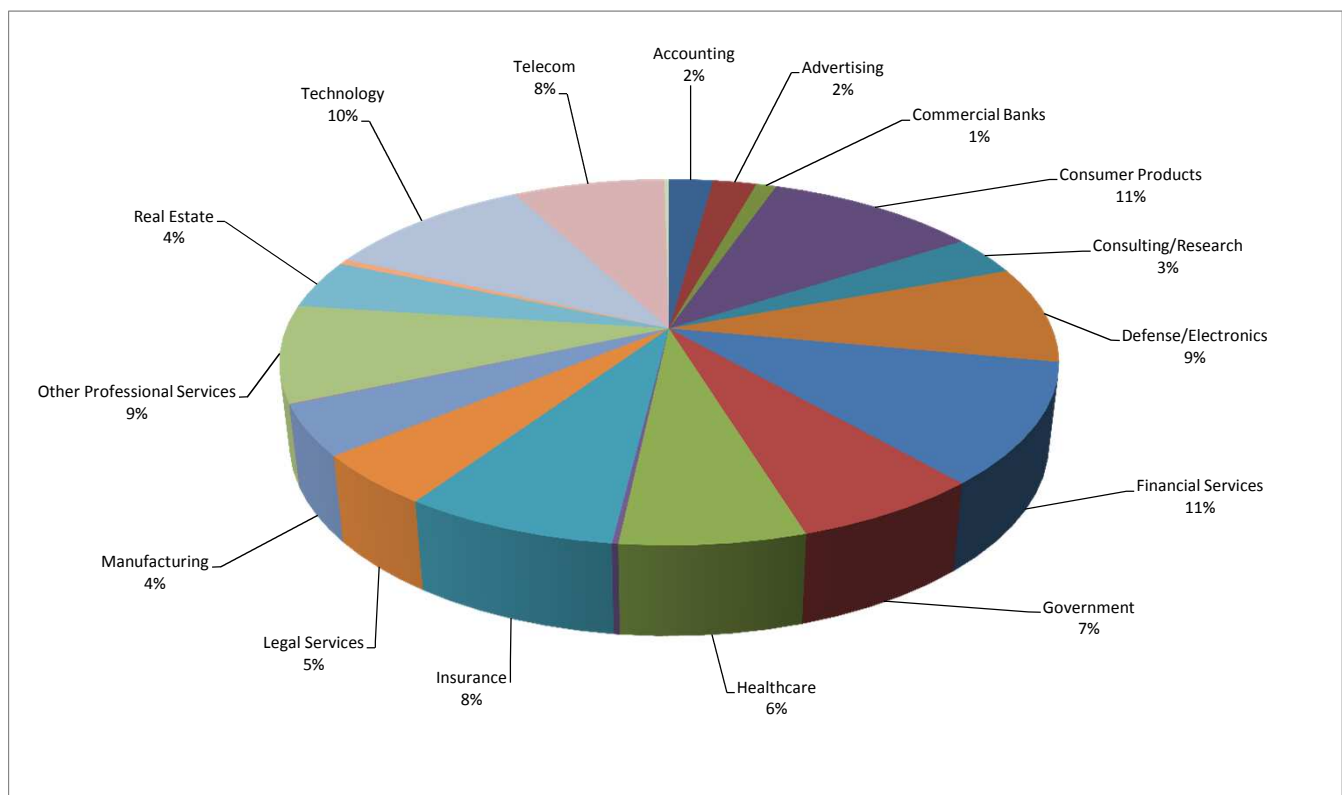
Top 25 Tenants ⁽¹⁾⁽²⁾

(Based on Base Rental Revenue)

Tenant Name	Wtd. Avg. Term Remaining (Years)	Total Square Feet	Base Rental Revenue
Lockheed Martin Corp. ⁽³⁾	2.6	112,000	6.8%
Radianz US	6.4	130,009	6.3%
Perkin Elmer Inc.	5.4	255,464	6.3%
Amscan Inc.	7.0	99,791	4.3%
Synapse Group Inc	1.7	77,640	4.1%
HQ Global Workplaces	3.3	44,871	2.6%
DHS FAMS-FAA WJ Hughes	1.7	29,372	2.6%
Prestige Brands Inc.	6.0	58,086	2.5%
Lincoln Educational Svcs. Corp	2.0	45,408	2.1%
Liberty Mutual	1.3	38,987	2.1%
AC Nielsen	0.2	34,276	2.0%
Ampacet Corporation	6.2	36,474	1.9%
Frequency Electronics Inc.	4.1	91,027	1.8%
Bank Of America	1.3	31,321	1.7%
North Shore Reg. Health System	5.8	27,087	1.6%
Tappan Zee Constructors, LLC	3.7	30,780	1.5%
ENT & Allergy Associates	5.0	24,735	1.3%
Xerox Corp.	1.5	23,920	1.2%
Guardian Life Insurance Co.	6.8	26,882	1.1%
D.L.C. Management Corp	2.7	18,747	1.0%
Ingerman Smith LLP	2.7	12,801	1.0%
Hoffman & Baron	1.3	17,298	1.0%
Philip Morris Management	4.0	20,981	0.9%
State Of Ny (F/K/A Nys Dept. Of Law)	8.2	22,792	0.8%
Kessler Rehabilitation Corp	1.5	17,354	0.8%

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 2015.

(2) Excludes BRE/Melville JV assets and 505 White Plains Road, sold in January 2015.

(3) Lockheed Martin renewed 103,500 SF for period of 2 years effective 1 October 2015 and 8,500 SF for additional 6 months with Lease Expiration of 30 April 2015.

Capital Expenditures

As of 31 December 2014

CAPITAL EXPENDITURES	2011 Total	2012 Total	2013 ⁽¹⁾ Total	1st Half 2014	2nd Half 2014	2014 ⁽¹⁾ Total
Recurring - Non Incremental						
Amenities (Health Club, Café, etc.)	\$0	\$0	\$0	\$0	\$0	\$0
Bathrooms	3,728	3,462	142,752 ⁽⁹⁾	785	0	785
Corridors	14,762	0	69,800	66,707	39,544	106,251
Elevators	1,336	74,420	68,568	54,580	104,063	158,643
Exterior Renovation	29,342	339,937 ⁽⁵⁾	203,782 ⁽¹⁰⁾	42,587	5,445	48,032
Lobby	0	126	1,573	130,864 ⁽¹⁴⁾	1,812	132,676
Mechanical, Electrical & Plumbing	615,226 ⁽²⁾	953,535 ⁽⁶⁾	1,558,475 ⁽¹¹⁾	108,975 ⁽¹⁵⁾	1,140,435 ⁽¹⁶⁾	1,249,410
Other	0	0	0	0	0	0
Parking Lots	342,620 ⁽³⁾	131,734 ⁽⁷⁾	578,352 ⁽¹²⁾	7,024	269,109 ⁽¹⁷⁾	276,133
Roofs	471,987 ⁽⁴⁾	512,118 ⁽⁸⁾	208,312 ⁽¹³⁾	(4,559)	752,855 ⁽¹⁸⁾	748,296
Security	0	15,649	12,620	7,958	8,754	16,712
Total Recurring - Non Incremental	\$1,479,001	\$2,030,981	\$2,844,234	\$414,921	\$2,322,017	\$2,736,938
Amount Per Square Foot						
Connecticut	\$0.45	\$0.14	\$0.19	\$0.00	\$1.04	\$1.04
Long Island	\$0.63	\$0.50	\$0.46	\$0.22	\$0.60	\$0.82
New Jersey	\$0.00	\$0.68	\$0.87	\$0.06	\$0.34	\$0.40
Westchester	\$0.45	\$1.13	\$1.93	\$0.21	\$1.04	\$1.25
Weighted Average	\$0.45	\$0.61	\$0.79	\$0.14	\$0.78	\$0.92

(1) Excludes BRE/Melville JV assets.

(2) Primarily related to HVAC rooftop units at 6900 Jericho Turnpike, BMS control system at 200 Broadhollow Road and chiller replacement at 580 White Plains Road.

(3) Primarily related to repaving the parking lot at 710 Bridgeport Avenue pursuant to terms specified in lease agreement.

(4) 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.

(5) Primarily related to caulking at 660 White Plains Road, EIFS replacement at 80 Grasslands Road and window replacement at 300 Motor Parkway.

(6) 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.

(7) Primarily related to parking lot repair for 150 Motor Parkway and 35 Pinelawn Road.

(8) Primarily related to the roof replacement at 35 Pinelawn Road, 200 Executive Drive and section 1 of 4 at 710 Bridgeport Avenue.

(9) Primarily related to bathroom remodeling at 660 White Plains Road.

(10) Primarily related to powerwashing and caulking at 225 High Ridge Road and rebuilding a retaining wall at 100 & 200 Executive Drive.

(11) Primarily related to lighting upgrade at 100 Executive Drive, heat exchangers at 300 Motor Parkway, chiller plant financing at 580 White Plains Road, the cooling tower replacement at 660 White Plains Road and the BMS replacement at 35 Pinelawn Road.

(12) Primarily related to repaving the parking lots at 660 White Plains Road and 100 & 200 Executive Drive.

(13) Primarily related to the roof replacement at 150 Motor Parkway and replacing gutters at 225 High Ridge Road.

(14) Primarily related to the lobby upgrades at 80 Grasslands Road.

(15) Primarily related to the replacement of the BMS system and VFD's at 35 Pinelawn Road, the HVAC unit stock at 6800 Jericho Tpk and the piping replacement at 6800 Jericho Tpk.

(16) Primarily related to the HVAC replacement at 80 Grasslands Road and the replacement of the BMS system at 225 High Ridge Road.

(17) Primarily related to repaving the parking lot at 80 Grasslands Road.

(18) Primarily related to roof replacements at 80 Grasslands Road, 6800 Jericho Turnpike and 710 Bridgeport Avenue.

Tenanting Costs

The following table summarizes the expenditures incurred for tenant improvements and leasing commissions for space leased during 2011, 2012, 2013 and for the twelve month period ended 31 December 2014.

Tenant Improvements and Leasing Commissions ⁽¹⁾

	2011	2012	2013 ⁽²⁾	2014 ⁽²⁾	New	Renewal
Connecticut Office						
Tenant Improvements	\$50,388	\$335,937	\$304,800	\$263,752	\$74,457	\$189,295
Per Square Foot Improved	\$5.56	\$14.35	\$50.00	\$10.03	\$37.08	\$7.79
Leasing Commissions	\$58,116	\$174,236	\$72,161	\$125,491	\$28,227	\$97,264
Per Square Foot Leased	\$6.41	\$7.44	\$11.84	\$4.77	\$14.06	\$4.00
Total Per Square Foot	<u>\$11.97</u>	<u>\$21.79</u>	<u>\$61.84</u>	<u>\$14.80</u>	<u>\$51.14</u>	<u>\$11.79</u>
Long Island Office						
Tenant Improvements	\$1,473,202	\$1,634,532	\$1,031,745	\$1,243,177	\$760,972	\$482,205
Per Square Foot Improved	\$11.49	\$8.90	\$6.41	\$7.68	\$24.89	\$3.67
Leasing Commissions	\$718,483	\$759,869	\$775,766	\$783,629	\$284,888	\$498,741
Per Square Foot Leased	\$5.11	\$4.14	\$4.82	\$4.84	\$9.32	\$3.80
Total Per Square Foot	<u>\$16.60</u>	<u>\$13.04</u>	<u>\$11.23</u>	<u>\$12.52</u>	<u>\$34.21</u>	<u>\$7.47</u>
New Jersey Office						
Tenant Improvements	\$532,353	\$138,046	\$506,482	\$304,369	\$69,591	\$234,778
Per Square Foot Improved	\$17.02	\$17.59	\$9.36	\$5.11	\$22.98	\$4.15
Leasing Commissions	\$229,662	\$69,693	\$394,684	\$131,119	\$20,365	\$110,754
Per Square Foot Leased	\$8.24	\$8.88	\$7.29	\$2.20	\$6.73	\$1.96
Total Per Square Foot	<u>\$25.26</u>	<u>\$26.47</u>	<u>\$16.65</u>	<u>\$7.31</u>	<u>\$29.71</u>	<u>\$6.11</u>
Westchester Office						
Tenant Improvements	\$1,220,508	\$2,224,772	\$1,578,170	\$947,793	\$526,659	\$421,134
Per Square Foot Improved	\$14.00	\$20.76	\$7.74	\$10.51	\$21.29	\$6.43
Leasing Commissions	\$441,791	\$741,472	\$1,082,039	\$344,318	\$124,897	\$219,421
Per Square Foot Leased	\$4.76	\$6.92	\$5.31	\$3.82	\$5.05	\$3.35
Total Per Square Foot	<u>\$18.76</u>	<u>\$27.68</u>	<u>\$13.05</u>	<u>\$14.33</u>	<u>\$26.34</u>	<u>\$9.78</u>
Flex						
Tenant Improvements	\$0	\$0	\$0	\$12,909	\$0	\$12,909
Per Square Foot Improved	\$0.00	\$0.00	\$0.00	\$0.15	\$0.00	\$0.15
Leasing Commissions	\$4,280	\$27,027	\$3,247	\$133,382	\$0	\$133,382
Per Square Foot Leased	\$0.33	\$1.18	\$0.20	\$1.50	\$0.00	\$1.50
Total Per Square Foot	<u>\$0.33</u>	<u>\$1.18</u>	<u>\$0.20</u>	<u>\$1.65</u>	<u>\$0.00</u>	<u>\$1.65</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.