

RNY Property Trust



For the Period Ended 31 December 2016
Supplemental Operating and Financial Data

24 February 2017

Level 56, MLC Centre | 19 Martin Place | Sydney NSW 2000 | Australia
Phone: 02 9293 2911 Fax: 02 9293 2912
www.rnypt.com.au

Table of Contents

	<u>Page(s)</u>
Corporate Information	2 - 3
Financial Highlights	
• Debt Summary.....	4
Portfolio Performance	
• Same Property Performance.....	5 - 6
• Occupancy Analysis	7
• Leasing Statistics.....	8 - 10
• Lease Expiration Schedules.....	11 - 13
• Top Tenants and Tenant Diversification.....	14
• Capital Expenditures Analysis.....	15 - 16

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 and financing. RXR’s operating platform manages 90 commercial real estate properties and investments comprising approximately 25.1 million square feet, with an aggregate gross asset value of \$15.0 billion as of 30 September 2016. In addition, RXR has a residential development pipeline of approximately 3,200 residential units in the New York metropolitan area.

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 were due on the PM Note, which was secured by the building and which matured on 1 September 2016. The PM Note was repaid to RNY in full at maturity.

On 29 January 2015, RNY sold a 26,600 square foot office building located at 505 White Plains Road, Tarrytown, New York for US\$2.7 million.

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 encumbered by such B-note was transferred to a 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 owned the properties, which were encumbered by the A-note. The A-note matured in October 2014 and the lender commenced a foreclosure proceeding on 20 January 2015. On 19 August 2015, the JV surrendered the assets to the A-note lender in lieu of

a foreclosure proceeding. Since the Trust had assigned no value to its interest in the JV, such surrender had no impact on the value of the Trust.

As part of its previously announced disposition strategy, RNY sold a 70,339 square foot building located at 200 Broadhollow Road, Melville, New York on 30 June 2016, for US\$9.15 million and a 59,383 square foot building located at 300 Motor Parkway, Hauppauge, New York for US\$5.075 million on 20 December 2016. On 20 January 2017, RNY sold a 110,874 square foot building located at 35 Pinelawn Drive, Melville, New York for US\$15.375 million. RNY also sold a 184,391 square foot building located at 150 Motor Parkway, Hauppauge, New York for US\$21.0 million on 8 February 2017.

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

19 Martin Place
MLC Centre
Level 56
Sydney, NSW 2000, Australia
Telephone: 02 9293 2910
Fax: 02 9293 2912
Website: www.rnypt.com.au

RXR Realty Headquarters

625 RXR Plaza
Uniondale, NY 11556
Telephone: 516-506-6000
Fax: 516-506-6800
Website: www.rxrrealty.com

Executive Officers

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/Investor Relations

Francis Sheehan (Sydney)	Michael McMahon (New York)
Telephone: 02 9293 2910	Telephone: 516-506-6723
Fax: 02 9293 2912	Fax: 516-506-6811
e-mail: fsheehan@rxrrealty.com	e-mail: mmcmahon@rxrrealty.com

Reporting Schedule

Half Year Results	Early August
Full Year Results	Late February

Debt Summary at 31 December 2016*(US Dollars in thousands)***Debt Maturity Schedule**

Year	Mortgages Due at Maturity
2017	177,152
2018	
2019	75,538
Total Debt	\$252,690

Mortgage Detail

Property	Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
35 Pinelawn Road, Melville, NY	8,943	5.28%	May, 2017	30
150 Motor Parkway, Hauppauge, NY	15,322	5.28%	May, 2017	30
660 White Plains Road, Tarrytown, NY	18,481	5.28%	May, 2017	30
100 Executive Drive, West Orange, NJ	5,544	5.28%	May, 2017	30
100 Grasslands Road, Elmsford, NY	5,544	5.28%	May, 2017	30
80 Grasslands Road, Elmsford, NY	8,466	5.28%	May, 2017	30
200 Executive Drive, West Orange, NJ	5,842	5.28%	May, 2017	30
492 River Road, Nutley, NJ	22,535	5.28%	May, 2017	30
225 Highridge Road, Stamford, CT	23,847	5.28%	May, 2017	30
35 Pinelawn Road, Melville, NY	2,811	14.00%	May, 2017	interest only
150 Motor Parkway, Hauppauge, NY	4,816	14.00%	May, 2017	interest only
660 White Plains Road, Tarrytown, NY	5,809	14.00%	May, 2017	interest only
100 Executive Drive, West Orange, NJ	1,743	14.00%	May, 2017	interest only
100 Grasslands Road, Elmsford, NY	1,743	14.00%	May, 2017	interest only
80 Grasslands Road, Elmsford, NY	2,661	14.00%	May, 2017	interest only
200 Executive Drive, West Orange, NJ	1,837	14.00%	May, 2017	interest only
492 River Road, Nutley, NJ	7,084	14.00%	May, 2017	interest only
225 Highridge Road, Stamford, CT	7,496	14.00%	May, 2017	interest only
300 Executive Drive, West Orange, NJ	6,851	4.25%	July, 2017	25
710 Bridgeport Avenue, Shelton, CT	19,777	4.25%	July, 2017	25
55 Charles Lindbergh Blvd., Uniondale, NY	21,845	5.15%	February, 2019	interest only
10 Rooney Circle, West Orange, NJ	1,598	5.15%	February, 2019	interest only
555 White Plains Road, Tarrytown, NY	6,867	5.15%	February, 2019	interest only
560 White Plains Road, Tarrytown, NY	7,814	5.15%	February, 2019	interest only
6800 Jericho Turnpike, Syosset, NY	15,333	5.15%	February, 2019	interest only
6900 Jericho Turnpike, Syosset, NY	7,873	5.15%	February, 2019	interest only
580 White Plains Road, Tarrytown, NY	14,208	5.15%	February, 2019	interest only
Total/Weighted Average	\$252,690	6.38%	0.9 years	

Same Property Performance

For the 6 month period ended 31 December 2016 vs. 31 December 2015

(In thousands)

Regional Breakdown

	Cash Revenue ⁽¹⁾			
	2H 16	2H 15	\$ Change	% Change
Connecticut	\$4,417	\$5,373	(\$956) ⁽²⁾	(17.8%)
Long Island	8,598	8,545	54	0.6%
New Jersey	4,667	4,459	208 ⁽³⁾	4.7%
Westchester	7,916	8,078	(163) ⁽⁴⁾	(2.0%)
Total	\$25,598	\$26,455	(\$857)	(3.2%)

	Cash Operating Expenses ⁽⁵⁾			
	2H 16	2H 15	\$ Change	% Change
Connecticut	\$1,794	\$1,846	(\$52)	(2.8%)
Long Island	2,631	2,760	(130) ⁽⁶⁾	(4.7%)
New Jersey	1,170	1,294	(124) ⁽⁷⁾	(9.6%)
Westchester	3,135	3,164	(29)	(0.9%)
Total	\$8,730	\$9,064	(\$335)	(3.7%)

	Real Estate Taxes ⁽⁸⁾			
	2H 16	2H 15	\$ Change	% Change
Connecticut	\$692	\$660	\$33	5.0%
Long Island	2,052	2,115	(63)	(3.0%)
New Jersey	1,214	1,193	22	1.8%
Westchester	1,694	1,671	23	1.4%
Total	\$5,653	\$5,638	\$14	0.3%

	Cash NOI			
	2H 16	2H 15	\$ Change	% Change
Connecticut	\$1,930	\$2,868	(\$937)	(32.7%)
Long Island	3,916	3,669	246	6.7%
New Jersey	2,283	1,972	311	15.8%
Westchester	3,087	3,244	(157)	(4.8%)
Total	\$11,215	\$11,752	(\$537)	(4.6%)

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

(2) Primarily related to free rent and operating expense recoveries

(3) Primarily related to scheduled base rent escalation

(4) Primarily related to a termination right totaling 5,835 SF and free rent

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

(6) Primarily related to savings in repairs and maintenance

(7) Primarily related to savings in repairs and maintenance across all NJ properties

(8) Primarily related to an increase in RET across CT, NJ, and WC and successful tax appeals across Long Island

Same Property Performance ⁽¹⁾

For the 12 month period ended 31 December 2016 vs. 31 December 2015

(In thousands)

Regional Breakdown

	Cash Revenue ⁽¹⁾			
	2016	2015	\$ Change	% Change
Connecticut	\$9,952	\$10,883	(\$932) ⁽²⁾	(8.6%)
Long Island	16,997	17,321	(325) ⁽³⁾	(1.9%)
New Jersey	9,228	9,163	65	0.7%
Westchester	15,940	16,293	(354) ⁽⁴⁾	(2.2%)
Total	\$52,116	\$53,661	(\$1,545)	(2.9%)

	Cash Operating Expenses ⁽⁵⁾			
	2016	2015	\$ Change	% Change
Connecticut	\$3,418	\$3,603	(\$185) ⁽⁶⁾	(5.1%)
Long Island	5,119	5,367	(248) ⁽⁷⁾	(4.6%)
New Jersey	2,457	2,685	(228) ⁽⁸⁾	(8.5%)
Westchester	6,016	6,403	(387) ⁽⁹⁾	(6.0%)
Total	\$17,009	\$18,058	(\$1,049)	(5.8%)

	Real Estate Taxes			
	2016	2015	\$ Change	% Change
Connecticut	\$1,352	\$1,338	\$14	1.1%
Long Island	4,138	4,269	(130) ⁽¹⁰⁾	(3.1%)
New Jersey	2,387	2,344	42	1.8%
Westchester	3,374	3,303	71	2.2%
Total	\$11,251	\$11,254	(\$3)	(0.0%)

	Cash NOI			
	2016	2015	\$ Change	% Change
Connecticut	\$5,182	\$5,942	(\$760)	(12.8%)
Long Island	7,740	7,686	53	0.7%
New Jersey	4,385	4,133	252	6.1%
Westchester	6,550	6,588	(38)	(0.6%)
Total	\$23,856	\$24,349	(\$493)	(2.0%)

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

(2) Primarily related to free rent as well as operating expense recoveries

(3) Primarily related to free rent associated with 39,252 SF of leases and holdover rent credit

(4) Primarily related to holdover rent at 200% on 15,831 SF through May 2015 and free rent associated with 15,469 SF of leases

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

(6) Primarily related to reduced utility expenses

(7) Primarily related to one-time repair and maintenance items in 2015

(8) Primarily related to reduced repair and maintenance expenses across the portfolio in 2016

(9) Primarily related to reduced utility expense, cleaning expense, one-time repair and maintenance items

(10) Primarily related to assessment reductions

Occupancy Analysis ⁽¹⁾

As of 31 December 2016

	# of Bldgs	Rentable Square Feet ⁽²⁾	Occupancy As of 31/12/16	Occupancy As of 30/06/16	Occupancy As of 31/12/15	Rentable Sq. Ft. as a % of Portfolio	NOI as a % of Portfolio ⁽³⁾
Long Island							
Eastern Nassau							
6800 Jericho Turnpike		208,786	80.9%	76.2%	76.9%	7.4%	6.07%
6900 Jericho Turnpike		95,943	87.9%	72.8%	77.6%	3.4%	0.43%
Total Eastern Nassau	2	304,729	83.1%	75.1%	77.1%	10.8%	6.50%
Central Nassau							
55 Charles Lindbergh Boulevard		214,581	90.7%	90.7%	90.7%	7.6%	11.49%
Total Central Nassau	1	214,581	90.7%	90.7%	90.7%	7.6%	11.49%
Central Suffolk							
150 Vanderbilt Motor Parkway		184,391	69.7%	74.9%	74.9%	6.5%	9.05%
Total Central Suffolk	1	184,391	69.7%	74.9%	74.9%	6.5%	9.05%
Western Suffolk							
35 Pinelawn Road		111,053	90.7%	89.2%	89.2%	3.9%	5.29%
Total Western Suffolk	1	111,053	90.7%	89.2%	89.2%	3.9%	5.29%
Total Long Island	5	814,754	83.1%	81.1%	81.8%	28.8%	32.33%
New Jersey							
Rt. 23/GSP Corridor							
492 River Road		130,009	100.0%	100.0%	100.0%	4.6%	13.18%
Total Rt. 23/GSP Corridor	1	130,009	100.0%	100.0%	100.0%	4.6%	13.18%
Rt. 280 Corridor							
100 Executive Drive		93,011	27.1%	24.9%	26.1%	3.3%	-1.81%
200 Executive Drive		106,327	48.9%	48.9%	48.9%	3.8%	0.96%
300 Executive Drive		125,440	57.1%	69.8%	68.2%	4.4%	3.69%
10 Rooney Circle		70,873	41.4%	41.4%	41.4%	2.5%	2.33%
Total Rt. 280 Corridor	4	395,651	45.1%	48.6%	48.3%	14.0%	5.17%
Total New Jersey	5	525,660	58.7%	61.3%	61.1%	18.6%	18.35%
Westchester							
Tarrytown							
555 White Plains Road		125,497	26.8%	26.8%	26.8%	4.4%	-2.68%
560 White Plains Road		126,688	58.3%	58.3%	45.9%	4.5%	0.80%
580 White Plains Road		171,466	81.4%	86.8%	86.1%	6.1%	8.19%
660 White Plains Road		254,041	86.6%	92.0%	91.3%	9.0%	14.23%
Total Tarrytown	4	677,692	68.9%	72.3%	69.6%	24.0%	20.54%
Elmsford							
80 Grasslands Road		87,055	100.0%	100.0%	100.0%	3.1%	4.16%
100 Grasslands Road		47,720	100.0%	100.0%	100.0%	1.7%	3.11%
Total Standalone	2	134,775	100.0%	100.0%	100.0%	4.8%	7.27%
Total Westchester	6	812,467	74.1%	76.9%	74.6%	28.7%	27.81%
Connecticut							
Stamford							
225 Highridge Road		223,240	79.9%	79.8%	80.9%	7.9%	8.83%
710 Bridgeport Avenue		452,414	75.4%	75.7%	75.7%	16.0%	12.68%
Total Connecticut	2	675,654	76.9%	77.1%	77.4%	23.9%	21.51%
TOTAL PORTFOLIO	18	2,828,535	74.5%	75.2%	74.9%	100.0%	100.00%

(1) Excludes 200 Broadhollow Road sold on 30 June 2016 and 300 Motor Parkway sold on 20 December 2016.

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

(3) NOI as a % of Portfolio represents the time period from 1 January 2016 through 31 December 2016.

Lease Activity

For the 6 Months Ending 31 December 2016

	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	4	14,187	3	16,069	6	24,276	9	50,398	-	-	3	10,034	18	84,708
New Jersey	3	17,354	1	1,482	-	-	1	29,372	-	-	1	2,110	2	31,482
Connecticut	-	-	-	-	-	-	1	9,395	-	-	-	-	1	9,395
Westchester	4	11,927	1	4,751	2	5,557	4	35,799	2	14,830	-	-	8	56,186
Total NYPT Portfolio	11	43,468	5	22,302	8	29,833	15	124,964	2	14,830	4	12,144	29	181,771

OUTSTANDING SHORT TERM LEASES / HOLDOVERS

	#	SF
Long Island Office	2	13,821
New Jersey Office	2	3,730
Westchester Office	1	4,751
Total Office	5	22,302

EARLY TERMINATIONS FOR CURRENT PERIOD

	#	Terminated SF	Released SF	Vacant SF
Long Island Office	2	4,777	-	4,777
Westchester Office	3	11,785	-	11,785
Total Office	5	16,562	-	16,562

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 2016

Executed Leases ⁽¹⁾

	# of Transactions	Total Sq. Ft.	Average Base Rent	Average Term (Years)
<i>Office Properties</i>				
Long Island	18	84,708	\$24.57	6.5
Westchester	8	56,186	\$26.22	4.8
Connecticut	1	9,395	\$26.48	10.8
New Jersey	2	31,482	\$40.69	9.7
Total/Weighted Average	29	181,771	\$27.97	6.8

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	11,044	\$22.33	\$25.39	13.7%	\$25.72	\$25.25	(1.8%)
Renewal	50,398	\$26.40	\$22.40	(15.2%)	\$29.11	\$21.77	(25.2%)
Total/Weighted Average	61,442	\$25.67	\$22.94	(10.6%)	\$28.50	\$22.40	(21.4%)
Connecticut							
Renewal	9,395	\$34.08	\$26.48	(22.3%)	\$38.79	\$26.00	(33.0%)
Total/Weighted Average	9,395	\$34.08	\$26.48	(22.3%)	\$38.79	\$26.00	(33.0%)
Westchester							
New	787	\$22.05	\$22.98	4.2%	\$23.00	\$24.45	6.3%
Renewal	50,629	\$22.43	\$25.78	14.9%	\$24.70	\$24.85	0.6%
Total/Weighted Average	51,416	\$22.42	\$25.74	14.8%	\$24.67	\$24.84	0.7%
New Jersey							
New	2,110	\$25.00	\$19.95	(20.2%)	\$25.00	\$21.00	(16.0%)
Renewal	29,372	\$39.02	\$42.01	7.7%	\$40.56	\$40.00	(1.4%)
Total/Weighted Average	31,482	\$38.08	\$40.53	6.4%	\$39.52	\$38.73	(2.0%)
Total/Weighted Average	153,735	\$27.64	\$27.69	0.2%	\$30.11	\$26.78	(11.1%)

Tenant Retention ⁽⁵⁾

	Leases Expiring	Sq. Ft Expiring	Sq. Ft Renewing	Renewal Percentage
<i>Long Island</i>	13	64,585	50,398	78.0%
<i>Connecticut</i>	1	9,395	9,395	100.0%
<i>Westchester</i>	10	62,556	50,629	80.9%
<i>New Jersey</i>	4	46,726	29,372	62.9%
Total/Weighted Average	28	183,262	139,794	76.3%

(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 2016

Executed Leases ⁽¹⁾

	# of Transactions	Total Sq. Ft.	Average Base Rent	Average Term (Years)
<i>Office Properties</i>				
Long Island	25	117,695	\$24.68	6.0
Westchester	18	98,126	\$25.27	4.8
Connecticut	8	89,673	\$26.96	8.9
New Jersey	5	80,372	\$29.31	4.5
Total/Weighted Average	56	385,866	\$26.32	6.1
<i>Flex Properties</i>				
Connecticut	2	17,960	\$6.60	1.0
Total/Weighted Average	2	17,960	\$6.60	1.0
Total/Weighted Average	58	403,826	\$25.45	5.8

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
<i>Long Island</i>							
New	11,044	\$22.33	\$25.39	13.7%	\$25.72	\$25.25	(1.8%)
Renewal	78,898	\$26.41	\$23.39	(11.4%)	\$28.71	\$22.46	(21.8%)
Total/Weighted Average	89,942	\$25.91	\$23.64	(8.8%)	\$28.34	\$22.80	(19.5%)
<i>Connecticut</i>							
New	3,023	\$22.29	\$29.40	31.9%	\$28.00	\$29.00	3.6%
Renewal	102,118	\$27.89	\$22.45	(19.5%)	\$31.48	\$22.98	(27.0%)
Total/Weighted Average	105,141	\$27.73	\$22.65	(18.3%)	\$31.38	\$23.15	(26.2%)
<i>Westchester</i>							
New	4,878	\$22.43	\$26.94	20.1%	\$22.58	\$26.59	17.8%
Renewal	80,534	\$21.60	\$24.78	14.7%	\$24.29	\$24.16	(0.5%)
Total/Weighted Average	85,412	\$21.65	\$24.90	15.0%	\$24.19	\$24.30	0.4%
<i>New Jersey</i>							
New	2,110	\$25.00	\$19.95	(20.2%)	\$25.00	\$21.00	(16.0%)
Renewal	76,262	\$28.03	\$29.68	5.9%	\$28.82	\$28.89	0.2%
Total/Weighted Average	78,372	\$27.95	\$29.42	5.3%	\$28.72	\$28.68	(0.1%)
Total/Weighted Average	358,867	\$25.87	\$24.91	(3.7%)	\$28.33	\$24.54	(13.4%)

Tenant Retention ⁽⁵⁾

	Leases Expiring	Sq. Ft Expiring	Sq. Ft Renewing	Renewal Percentage
<i>Long Island</i>	21	96,250	78,898	82.0%
<i>Connecticut</i>	9	110,418	103,964	94.2%
<i>Westchester</i>	16	102,248	80,534	78.8%
<i>New Jersey</i>	7	93,616	76,262	81.5%
Total/Weighted Average	53	402,532	339,658	84.4%

(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 2017**

Total Portfolio

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2017	55	438,175	15.5%	15.5%
2018	40	215,724	7.6%	23.1%
2019	30	286,079	10.1%	33.2%
2020	22	408,662	14.4%	47.6%
2021	28	429,703	15.2%	62.8%
2022 and thereafter	36	323,069	11.4%	74.2%
Total/Weighted Average	211	2,101,412	74.2%	
Total Portfolio Square Feet		2,828,535		

Office Portfolio

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Office Sq Ft	Cumulative % of Total Portfolio Sq Ft
2017	54	421,855	18.1%	18.1%
2018	39	207,555	8.9%	27.0%
2019	29	207,202	8.9%	35.9%
2020	21	162,958	7.0%	42.9%
2021	27	390,152	16.8%	59.7%
2022 and thereafter	36	323,069	13.9%	73.6%
Total/Weighted Average	206	1,712,791	73.6%	
Total Office Portfolio Square Feet		2,328,401		

Flex Portfolio

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Flex Sq Ft	Cumulative % of Total Portfolio Sq Ft
2017	1	16,320	3.3%	3.3%
2018	1	8,169	1.6%	4.9%
2019	1	78,877	15.8%	20.7%
2020	1	245,704	49.1%	69.8%
2021	1	39,551	7.9%	77.7%
2022 and thereafter	0	0	0.0%	77.7%
Total/Weighted Average	5	388,621	77.7%	
Total Flex Portfolio Square Feet		500,134		

**Lease Expiration Schedule - Adjusted for Preleased Space
As of 1 January 2017**

Long Island Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2017	31	207,639	25.5%	25.5%
2018	15	61,117	7.5%	33.0%
2019	17	146,198	17.9%	50.9%
2020	15	64,060	7.9%	58.8%
2021	13	86,435	10.6%	69.4%
2022 and thereafter	19	111,699	13.7%	83.1%
Total/Weighted Average	110	677,148	83.1%	
Total Long Island Office Square Feet		814,754		

Westchester Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2017	16	121,008	15.8%	15.8%
2018	18	96,077	12.5%	28.3%
2019	10	53,608	7.0%	35.3%
2020	2	62,730	8.2%	43.5%
2021	7	108,989	14.3%	57.8%
2022 and thereafter	13	106,751	14.0%	71.8%
Total/Weighted Average	66	549,163	71.8%	
Total Westchester Office Square Feet		764,747		

Connecticut Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2017	2	19,556	8.8%	8.8%
2018	2	30,594	13.7%	22.5%
2019	1	6,096	2.7%	25.2%
2020	1	15,451	6.9%	32.1%
2021	1	26,319	11.8%	43.9%
2022 and thereafter	2	71,843	32.2%	76.1%
Total/Weighted Average	9	169,859	76.1%	
Total Connecticut Office Square Feet		223,240		

Note: Tenants that have expired on 31 December 2016 are not included. (4,793 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 2017**

New Jersey Office

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Portfolio Sq Ft	Cumulative % of Total Portfolio Sq Ft
2017	5	73,652	14.0%	14.0%
2018	4	19,767	3.8%	17.8%
2019	1	1,300	0.2%	18.0%
2020	3	20,717	3.9%	21.9%
2021	6	168,409	32.0%	53.9%
2022 and thereafter	2	32,776	6.2%	60.1%
Total/Weighted Average	21	316,621	60.1%	
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
2017	1	16,320	3.3%	3.3%
2018	1	8,169	1.6%	4.9%
2019	1	78,877	15.8%	20.7%
2020	1	245,704	49.1%	69.8%
2021	1	39,551	7.9%	77.7%
2022 and thereafter	-	-	0.0%	77.7%
Total/Weighted Average	5	388,621	77.7%	
Total Flex Square Feet		500,134		

Note: Tenants that have expired on 31 December 2016 are not included.

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

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

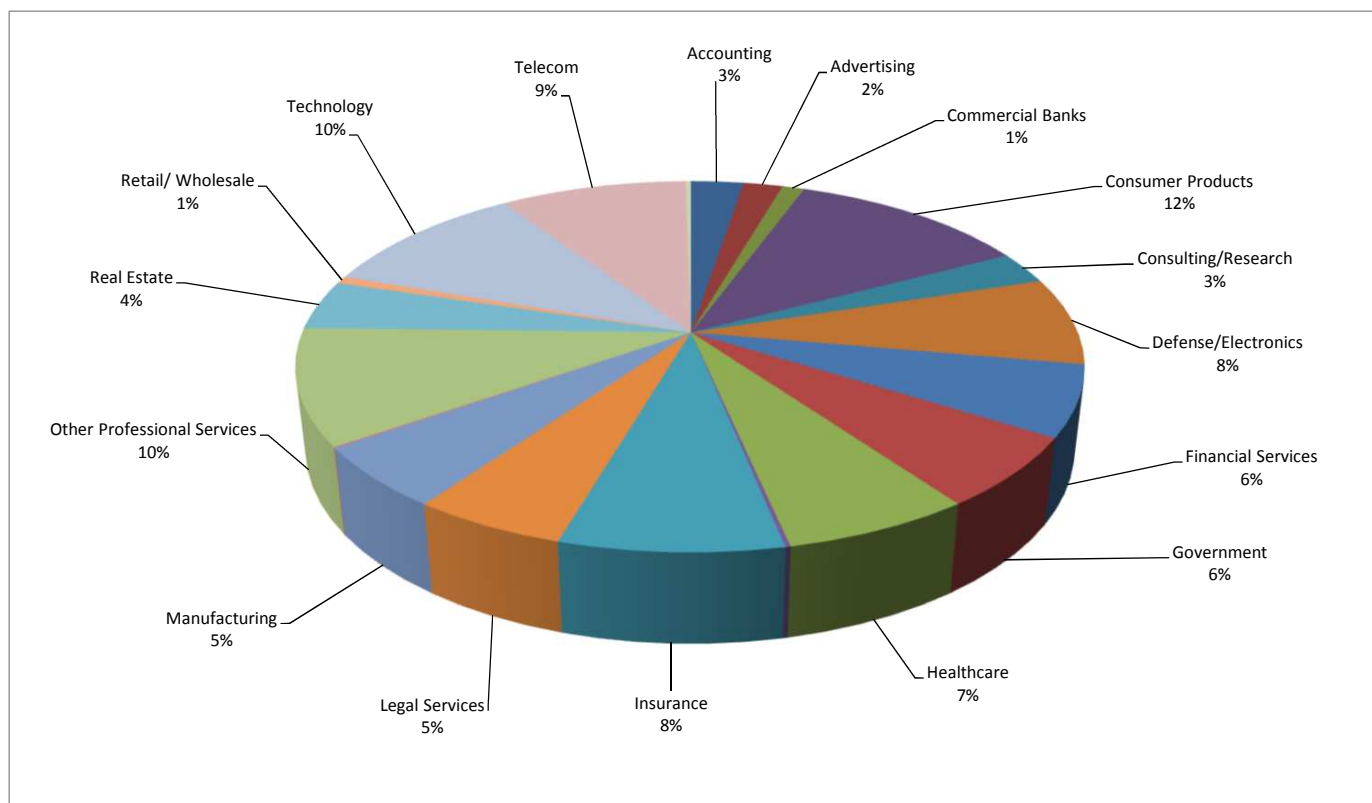
Top 25 Tenants ⁽¹⁾

(Based on Base Rental Revenue)

Tenant Name	Wtd. Avg. Term Remaining (Years)	Total Square Feet	Base Rental Revenue
Radianz US	4.4	130,009	7.9%
Perkin Elmer Inc.	3.4	262,024	7.2%
Lockheed Martin Corp.	0.7	103,500	5.7%
Amscan Inc.	5.0	99,791	5.0%
Prestige Brands Inc.	4.0	58,086	3.5%
Transportation Security Administration / FAMS	9.8	29,372	2.9%
Lincoln Educational Svcs Corp.	1.0	45,408	2.5%
Liberty Mutual Insurance Co.	0.2	38,987	2.4%
Ampacet Corporation,	4.2	36,474	2.2%
HQ Global Workplaces,	1.3	28,364	2.1%
Optum 360 LLC	3.7	33,368	2.0%
Frequency Electronics	2.1	91,027	2.0%
Tappan Zee Constructors LLC	1.7	30,780	1.7%
ENT And Allergy Associates	3.0	28,826	1.7%
Bank Of America N.A.	4.6	26,319	1.5%
Massachusetts Mutual Life Ins	2.5	25,308	1.4%
DLC Management Corporation	0.7	18,747	1.2%
AC Nielsen Inc	4.2	20,550	1.1%
Hoffmann & Baron L.L.P.	4.7	17,298	1.0%
Philip Morris Capital Corp,	2.0	20,981	1.0%
Partnership For Children	4.1	18,740	0.9%
Mental Health Assoc. Of, The	6.2	17,500	0.9%
Panolam Industries Int'L Inc.,	2.7	78,877	0.9%
GNT USA	8.0	15,337	0.8%
NY State United Teacher	2.2	14,066	0.8%

Tenant Diversification ⁽¹⁾

Total Portfolio



(1) Ranked by 100% of annualized base rental revenue. Based on monthly rent in place as of 1 January 2017.

Capital Expenditures
As of 31 December 2016

CAPITAL EXPENDITURES	2013 Total	2014 Total	2015 Total	1st Half 2016	2nd Half 2016	2016 Total
Recurring - Non Incremental						
Bathrooms	\$142,752	\$785	\$42,763	\$26,840	\$0	\$26,840
Corridors	69,800	106,251	157,053 ⁽⁷⁾	3,795	208	4,003
Elevators	68,568	158,643	29,653	0	0	0
Exterior Renovation	203,782	48,032	38,438	0	0	0
Lobby	1,573	132,676	3,996	0	0	0
Mechanical, Electrical & Plumbing	1,558,475 ⁽¹⁾	1,249,410 ⁽³⁾	410,061 ⁽⁸⁾	775,521 ⁽¹¹⁾	396,141 ⁽¹²⁾	1,171,662
Parking Lots	578,352 ⁽²⁾	276,133 ⁽⁴⁾	156,494 ⁽⁹⁾	0	0	0
Roofs	208,312	748,296 ⁽⁵⁾	532,382 ⁽¹⁰⁾	0	0	0
Security	12,620	16,712	0	0	0	0
Total Recurring - Non Incremental	\$2,844,234	\$2,736,938	\$1,370,840	\$806,156	\$396,349	\$1,202,505
Amount Per Square Foot						
Connecticut	\$0.19	\$1.04	\$0.36	\$0.01	\$0.00	\$0.01
Long Island	\$0.46	\$0.82	\$0.48	\$0.07	\$0.33	\$0.39
New Jersey	\$0.87	\$0.40	\$0.40	\$0.02	\$0.02	\$0.04
Westchester	\$1.93	\$1.25	\$0.57	\$0.89	\$0.14	\$1.02
Weighted Average	\$0.79	\$0.92	\$0.46	\$0.27	\$0.14	\$0.42

- (1) 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
- (2) Primarily related to repaving the parking lots at 660 White Plains Road and 100 & 200 Executive Drive
- (3) Primarily related to the replacement of the BMS system and VFD's at 35 Pinelawn Road, the HVAC unit stock and the piping replacement at 6800 Jericho Tpke, the HVAC replacement at 80 Grasslands Road and the replacement of the BMS system at 225 High Ridge Road
- (4) Primarily related to repaving the parking lot at 80 Grasslands Road
- (5) Primarily related to roof replacements at 80 Grasslands Road, 6800 Jericho Turnpike and 710 Bridgeport Avenue
- (6) Primarily related to replacing carpeting and wallpaper in the Corridors for 35 Pinelawn Rd and 6800 Jericho Turnpike
- (7) Primarily related to replacing carpeting and wallpaper in the Corridors for 35 Pinelawn Rd and 6800 Jericho Turnpike
- (8) Primarily related to the BMS installation at 225 High Ridge Rd, RTU replacement at 100 Executive Drive, Fire Alarm upgrade for tenants space at 580 & 660 White Plains Road, Chiller replacement at 710 Bridgeport, and the replacement of a Plumbing line at 660 White Plains Road
- (9) Primarily related to replacing sections of the Parking Lot at 150 Motor Parkway and 225 High Ridge Road
- (10) Primarily related to Roof replacements at 580 White Plains Road, 300 Motor Parkway and 300 Executive Drive
- (11) Primarily related to Chiller replacement at 660 White Plains Road and transactional sprinkler, HVAC, and electrical upgrades at 560 White Plains Road
- (12) Primarily related to tenant capital at 560 White Plains Road, Cooling Tower Replacement at 6800 Jericho, and the BMS Replacement at 6900 Jericho Turnpike. Offset by the actual chiller rebate at 660 White Plains Road
- (13) Primarily related to BMS Rebate at 225 High Ridge

Tenanting Costs

The following table summarizes the expenditures incurred for tenant improvements and leasing commissions for space leased during 2013, 2014, 2015 and for the twelve month period ended 31 December 2016.

Tenant Improvements and Leasing Commissions ⁽¹⁾

	2013	2014	2015	2016	New	Renewal
Connecticut Office						
Tenant Improvements	\$304,800	\$263,752	\$378,230	\$2,091,206	\$242,651	\$1,848,555
Per Square Foot Improved	\$50.00	\$10.03	\$8.37	\$26.05	\$42.35	\$24.80
Leasing Commissions	\$72,161	\$125,491	\$497,701	\$1,023,334	\$56,178	\$967,156
Per Square Foot Leased	\$11.84	\$4.77	\$11.02	\$12.75	\$9.80	\$12.97
Total Per Square Foot	<u>\$61.84</u>	<u>\$14.80</u>	<u>\$19.39</u>	<u>\$38.80</u>	<u>\$52.15</u>	<u>\$37.77</u>
Long Island Office						
Tenant Improvements	\$1,031,745	\$1,243,177	\$1,483,746	\$1,389,556	\$932,894	\$456,662
Per Square Foot Improved	\$6.41	\$7.68	\$12.54	\$20.49	\$24.82	\$15.10
Leasing Commissions	\$775,766	\$783,629	\$778,128	\$516,052	\$376,316	\$139,736
Per Square Foot Leased	\$4.82	\$4.84	\$6.58	\$7.61	\$10.01	\$4.62
Total Per Square Foot	<u>\$11.23</u>	<u>\$12.52</u>	<u>\$19.12</u>	<u>\$28.10</u>	<u>\$34.83</u>	<u>\$19.72</u>
New Jersey Office						
Tenant Improvements	\$506,482	\$304,369	\$258,301	\$52,857	\$52,857	\$0
Per Square Foot Improved	\$9.36	\$5.11	\$14.02	\$1.04	\$12.86	\$0.00
Leasing Commissions	\$394,684	\$131,119	\$148,462	\$113,339	\$26,930	\$86,409
Per Square Foot Leased	\$7.29	\$2.20	\$8.06	\$2.22	\$6.55	\$1.84
Total Per Square Foot	<u>\$16.65</u>	<u>\$7.31</u>	<u>\$22.08</u>	<u>\$3.26</u>	<u>\$19.41</u>	<u>\$1.84</u>
Westchester Office						
Tenant Improvements	\$1,578,170	\$947,793	\$679,479	\$866,149	\$570,182	\$295,967
Per Square Foot Improved	\$7.74	\$10.51	\$8.30	\$16.28	\$32.41	\$8.31
Leasing Commissions	\$1,082,039	\$344,318	\$267,078	\$302,684	\$153,741	\$148,943
Per Square Foot Leased	\$5.31	\$3.82	\$3.26	\$5.69	\$8.74	\$4.18
Total Per Square Foot	<u>\$13.05</u>	<u>\$14.33</u>	<u>\$11.56</u>	<u>\$21.97</u>	<u>\$41.15</u>	<u>\$12.49</u>
Flex						
Tenant Improvements	\$0	\$12,909	\$0	\$0	\$0	\$0
Per Square Foot Improved	\$0.00	\$0.15	\$0.00	\$0.00	\$0.00	\$0.00
Leasing Commissions	\$3,247	\$133,382	\$5,953	\$5,929	\$0	\$5,929
Per Square Foot Leased	\$0.20	\$1.50	\$0.33	\$0.33	\$0.00	\$0.33
Total Per Square Foot	<u>\$0.20</u>	<u>\$1.65</u>	<u>\$0.33</u>	<u>\$0.33</u>	<u>\$0.00</u>	<u>\$0.33</u>

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