UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1999

Commission file number: 1-13762

RECKSON OPERATING PARTNERSHIP, L.P.
(Exact name of registrant as specified in its charter)

Delaware	11-3233647
(State other jurisdiction of incorporation of organization)	(IRS. Employer Identification Number)
225 Broadhollow Road, Melville, NY	11747
(Address of principal executive office)	(zip code)

(516) 694-6900
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

RECKSON OPERATING PARTNERSHIP, L. P.
QUARTERLY REPORT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1999

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Reckson Operating Partnership, L.P.
Consolidated Balance Sheets
(Dollars in thousands, except for share amounts)

	September 30, 1999 (Unaudited)	December 31, 1998
Assets		
Commercial real estate properties, at cost		
Land	$ 264,326	$ 212,540
Buildings and improvements	1,764,826	1,372,549
Developments in progress:		
Land	61,487	69,143
Development costs	78,955	82,901
Furniture, fixtures and equipment	6,378	6,090
	2,175,972	1,743,223
Less accumulated depreciation	(202,212)	(159,049)
	1,973,760	1,584,174
Investments in real estate joint ventures	27,774	15,104
Investment in mortgage notes and notes receivable	349,690	99,268
Cash and cash equivalents	38,928	2,228
Tenant receivables	3,260	5,159
Investments in and advances to affiliates	161,602	53,154
Deferred rent receivable	23,804	22,526
Prepaid expenses and other assets	62,493	46,372
Contract and land deposits and pre-acquisition costs	2,847	2,253
Deferred lease and loan costs	36,866	24,282
Total Assets	$ 2,681,024	$ 1,854,520
Liabilities		
Mortgage notes payable	$ 460,725	$ 253,463
Unsecured credit facilities	253,600	465,850
Unsecured term loan	75,000	20,000
Senior unsecured notes	449,296	150,000
Accrued expenses and other liabilities	53,758	50,779
Distributions payable	27,241	19,663
Total Liabilities	1,319,620	959,755
Commitments and other comments	---	---
Minority interests' in consolidated partnerships	92,718	52,173
PARTNERS' CAPITAL		
Preferred Capital, 15,234,518 and 9,234,518 units outstanding, respectively	413,065	263,126
General Partner's Capital:		
Common units, 40,369,506 and 40,035,419 units outstanding, respectively	480,627	485,341
Class B Common Units, 10,913,763 and 0 units outstanding , respectively	283,477	---
Limited Partners' Capital, 7,701,542 and 7,764,630 units outstanding, respectively	91,517	94,125
Total Partners' Capital	1,268,686	842,592
Total Liabilities and Partners' Capital	$ 2,681,024	$ 1,854,520

See accompanying notes to financial statements.

Reckson Operating Partnership, L.P.
Consolidated Statements of Income
(Unaudited and in thousands, except per share and share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenues:				
Base rents	$ 95,474	$ 60,275	$ 234,759	$ 162,846
Tenant escalations and reimbursements	15,395	7,663	32,524	20,776
Equity in earnings of real estate joint ventures and service companies	483	536	1,372	1,201
Interest income on mortgage notes and notes receivable	909	2,083	5,627	5,536
Gain on sales of real estate	10,052	---	10,052	---
Other	3,418	1,038	8,350	2,565
Total Revenues	125,731	71,595	292,684	192,924
Expenses:				
Property operating expenses	40,679	22,202	91,125	61,774
Marketing, general and administrative	6,312	4,170	14,936	11,116
Interest	21,163	13,040	54,009	34,537
Depreciation and amortization	21,868	14,835	56,086	38,098
Total Expenses	90,022	54,247	216,156	145,525
Income before distributions to preferred unit holders, minority interests' and extraordinary items	35,709	17,348	76,528	47,399
Preferred unit distributions	(7,985)	(5,034)	(19,016)	(9,202)
Minority partners' interest in consolidated partnerships income	(2,150)	(665)	(4,933)	(1,938)
Income before extraordinary items	25,574	11,649	52,579	36,259
Extraordinary items - (loss) on extinguishment of debts	(629)	(1,993)	(629)	(1,993)
Net income available to common unit holders	$ 24,945	$ 9,656	$ 51,950	$ 34,266
Net Income available to:				
General Partner - common units	$ 15,409	$ 8,770	$ 36,599	$ 28,627
General Partner - Class B Common Units	6,596	---	8,343	---
Limited Partners'	2,940	886	7,008	5,639
Total	$ 24,945	$ 9,656	$ 51,950	$ 34,266
Net income per weighted average units:				
General Partner - per common unit before extraordinary items	$ 0.39	$ 0.26	$ 0.92	$ 0.77
Extraordinary loss per general partnership common unit	(0.01)	(0.04)	(0.01)	(0.04)
Net income per weighted average general partnership common unit	$ 0.38	$ 0.22	$ 0.91	$ 0.73
General Partner - per Class B Common Unit before extraordinary items	$ 0.59	$ ---	$ 1.55	$ ---
Extraordinary loss per Class B general partnership unit	(0.01)	---	(0.03)	---
Net income per weighted average Class B general partnership unit	$ 0.58	$ ---	$ 1.52	$ ---
Limited Partners' - per common unit before extraordinary items	$ 0.39	$ 0.16	$ 0.92	$ 0.77
Extraordinary loss per limited partnership unit	(0.01)	(0.05)	(0.01)	(0.04)
Net income per weighted average limited partnership unit	$ 0.38	$ 0.11	$ 0.91	$ 0.73
Weighted average common units outstanding:				
General Partner - common units	40,367,000	40,012,000	40,235,000	39,284,000
General Partner - Class B Common Units	11,457,000	---	5,489,000	---
Limited Partners'	7,702,000	7,741,000	7,706,000	7,715,000

See accompanying notes to financial statements.

Reckson Operating Partnership, L.P.
Consolidated Statements of Cash Flows)
(Unaudited and in thousands)

	Nine Months Ended September 30, 1999	1998
Cash Flows From Operating Activities:		
Net Income available to common unitholders	$ 51,950	$ 34,266
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56,086	38,098
Extraordinary loss on extinguishment of debt	629	1,993
Minority partners' interests in consolidated partnerships	4,933	1,938
Gain of sale of interest in Reckson Executive Centers, LLC	---	(9)
Gain on sales of real estate, securities and mortgage redemption	(10,052)	(43)
Distribution from a real estate joint venture	337	379
Equity in earnings of real estate joint ventures and service companies	(1,372)	(1,201)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(13,453)	4,984
Tenant receivables	1,899	249
Deferred rents receivable	(3,473)	(6,950)
Real estate tax escrow	(2,405)	236
Accrued expenses and other liabilities	21,099	12,970
Net cash provided by operating activities	106,178	86,910
Cash Flows from Investing Activities:		
Purchases of commercial real estate properties	(265,400)	(466,959)
Increase in deposits and pre-acquisition costs	(3,485)	(245)
Investment in mortgage notes and notes receivable	(295,048)	12,257
Additions to commercial real estate properties	(21,612)	(15,507)
Increase in developments in progress	(8,198)	(89,648)
Payment of leasing costs	(11,851)	(6,254)
Additions to furniture, fixtures and equipment	(396)	(1,649)
Investments in real estate joint ventures	(11,875)	(7,760)
Proceeds from sales of real estate, securities and mortgage redemption	269,324	809
Net cash used in investing activities	(348,541)	(574,956)
Cash Flows from Financing Activities:		
Principal payments on secured borrowings	(3,163)	(4,006)
Proceeds from issuance of senior unsecured notes net of issuance costs	299,262	---
Payment of loan costs	(7,113)	(3,557)
Investments in and advances to affiliates	(108,476)	(32,218)
Proceeds from secured borrowings	125,547	---
Proceeds from unsecured credit facilities	353,500	345,000
Principal payments on unsecured credit facilities	(510,750)	(112,000)
Repurchase of Class B Common Units	(17,389)	---
Contributions of minority partners' in consolidated partnerships	75,000	---
Contributions	149,397	314,430
Distributions	(72,179)	(36,484)
Distributions to minority partners' in consolidated partnerships	(4,573)	(1,847)
Net cash provided by financing activities	279,063	469,318
Net increase (decrease) in cash and cash equivalents	36,700	(18,728)
Cash and cash equivalents at beginning of period	2,228	21,676
Cash and cash equivalents at end of period	$ 38,928	$ 2,948

See accompanying notes to financial statements.

RECKSON OPERATING PARTNERSHIP, L. P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1999
(unaudited)

1. Organization and Formation of the Operating Partnership

Reckson Operating Partnership, L. P. (The "Operating Partnership") commenced operations on June 2, 1995. The sole general partner in the Operating Partnership, Reckson Associates Realty Corp. (the "Company") is a self administered and self managed Real Estate Investment Trust ("REIT").

The Operating Partnership executed various option and purchase agreements whereby it issued units in the Operating Partnership ("Units") to the continuing investors and assumed certain indebtedness in exchange for interests in certain property partnerships, fee simple and leasehold interests in properties and development land, certain business assets of the executive center entities and 100% of the non-voting preferred stock of the management and construction companies.

As of September 30, 1999, the Operating Partnership owned and operated 77 office properties comprising approximately 13.1 million square feet, 109 industrial properties comprising approximately 8.0 million square feet and two retail properties comprising approximately 20,000 square feet, located in the New York Tri-State area (the "Tri-State Area"). The Operating Partnership also owns and operates a 357,000 square foot office building located in Orlando Florida. In addition, the Operating Partnership owned or had contracted to acquire approximately 377 acres of land in 16 separate parcels of which the Operating Partnership can develop approximately 2.8 million square feet of industrial and office space. The Operating Partnership also has invested approximately $312.9 million in mortgage notes encumbering three Class A office properties encompassing approximately 1.6 million square feet, approximately 472 acres of land located in New Jersey and in a note receivable secured by a partnership interest in Omni Partner's, L.P., owner of the Omni, a 575,000 square foot Class A office property located in Uniondale, New York.

During 1997, the Company formed Reckson Service Industries, Inc. ("RSI") and Reckson Strategic Venture Partners, LLC ("RSVP"). On June 11, 1998, the Operating Partnership distributed its 95% common stock interest in RSI of approximately $3 million to its owners, including the Company which, in turn, distributed the common stock of RSI to its stockholders. Additionally, during June 1998, the Operating Partnership established a credit facility with RSI (the"RSI Facility") in the amount of $100 million for RSI's service sector operations and other general corporate purposes. As of September 30, 1999, the Operating Partnership had advanced $83.6 million under the RSI Facility all of which is outstanding. In addition, the Operating Partnership approved the funding of investments of up to $100 million with or in RSVP (the "RSVP Commitment"), through RSVP-controlled joint venture REIT-qualified investments or advances made to RSI under terms similar to the RSI Facility. As of September 30, 1999, approximately $54.8 million had been invested through the RSVP Commitment, of which $21.8 million represents RSVP controlled joint venture REIT-qualified investments and $33.0 million represents advances to RSI under the RSVP Commitment. RSI serves as the managing member of RSVP. RSI invests in operating companies that generally provide commercial services to the RSI customer base which includes the tenants of RSI's executive suite business and to properties owned by the Operating Partnership and its tenants and third parties nationwide. RSVP was formed to provide the Company with a research and development vehicle to invest in alternative real estate sectors. RSVP invests primarily in real estate and real estate related operating companies generally outside of the Company's core office and industrial focus. RSVP's strategy is to identify and acquire interests in established entrepreneurial enterprises with experienced management teams in market sectors which are in the early stages of their growth cycle or offer unique circumstances for attractive investments as well as a platform for future growth.

On January 6, 1998, the Operating Partnership made its initial investment in the Morris Companies, a New Jersey developer and owner of "Big Box" warehouse facilities. In connection with the transaction the Morris Companies contributed 100% of their interests in certain industrial properties to Reckson Morris Operating Partnership, L. P. ("RMI") in exchange for operating partnership units in RMI. The Operating Partnership has agreed to invest up to $150 million in RMI. On September 27, 1999, the Operating Partnership sold its interest in RMI to Keystone Property Trust ("KTR") (formerly American Real Estate Investment Corporation) (see note 6).

During July 1998, the Company formed Metropolitan Partners, LLC ("Metropolitan") for the purpose of acquiring Tower Realty Trust, Inc. ("Tower"). On May 24, 1999 the Company completed the merger with Tower and acquired three Class A office properties located in New York City totaling 1.6 million square feet and one office property located on Long Island totaling approximately 101,000 square feet. In addition, pursuant to the merger, the Company also acquired certain office properties, a property under development and land located outside of the Tri-State Area. All of the assets acquired in the merger, other than a 357,000 square foot office property located in Orlando, Florida, have been sold (see note 6).

Basis of Presentation

The accompanying consolidated financial statements include the consolidated financial position of the Operating Partnership and its subsidiaries at September 30, 1999 and December 31, 1998 and the results of its operations for the three and nine months ended September 30, 1999 and 1998, respectively, and, its cash flows for the nine months ended September 30, 1999 and 1998, respectively. The Operating Partnership's investments in Metropolitan and Omni Partners, L. P. ("Omni"), are reflected in the accompanying financial statements on a consolidated basis with a reduction for minority partners' interest. The Operating Partnership's investment in RMI was reflected in the accompanying financial statements on a consolidated basis with a reduction for minority partner's interest through September 26, 1999. On September 27, 1999, the Operating Partnership sold its interest in RMI to KTR (see note 6). The operating results of the service businesses currently conducted by Reckson Management Group, Inc., and Reckson Construction Group, Inc., are reflected in the accompanying financial statements on the equity method of accounting. The Operating Partnership also invests in real estate joint ventures where it may own less than a controlling interest, such investments are also reflected in the accompanying financial statements on the equity method of accounting. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements

The merger with Tower (see note 6) was accounted for as a purchase in accordance with Accounting Principles Board Opinion No. 16. Accordingly, the fair value of the consideration given by the Operating Partnership, in accordance with generally accepted accounting principles ("GAAP"), was used as the valuation basis for the merger. The assets acquired and liabilities assumed by the Operating Partnership were recorded at the fair value as of the closing date of the merger and the excess of the purchase price over the historical basis of the net assets acquired was allocated primarily to operating real estate properties and real estate properties which have been sold.

The minority interests at September 30, 1999 represent an approximate 28% interest in certain industrial joint venture properties formerly owned by RMI, a convertible preferred interest in Metropolitan and a 40% interest in Omni.

The accompanying interim unaudited financial statements have been prepared by the Operating Partnership's management pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosure normally included in the financial statements prepared in accordance with GAAP may have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. The unaudited financial statements as of September 30, 1999 and for the nine month periods ended September 30, 1999 and 1998 include, in the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth herein. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. These financial statements should be read in conjunction with the Operating Partnership's audited financial statements and notes thereto for the year ended December 31, 1998 included in the Operating Partnership's Form S-3 filed on March 11, 1999 with the SEC.

In June 1999, the Financial Accounting Standards Board issued Statement No. 137, amending Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", which extended the required date of adoption to the years beginning after June 15, 2000. The Statement permits early adoption as of the beginning of any fiscal quarter after its issuance. The Operating Partnership expects to adopt the new Statement effective January 1, 2001. The Operating Partnership does not anticipate that the adoption of this Statement will have any effect on its results of operations or financial position.

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. Mortgage Notes Payable

As of September 30, 1999, the Operating Partnership had approximately $460.7 million of fixed rate mortgage notes which mature at various times between June 2000 and November 2027. The notes are secured by 23 properties and have a weighted average interest rate of approximately 7.6%.

3. Senior Unsecured Notes

As of September 30, 1999, the Operating Partnership had outstanding approximately $449.3 million (net of issuance discounts) of senior unsecured notes (the "Senior Unsecured Notes"). The following table sets forth the Operating Partnership's Senior Unsecured Notes and other related disclosures (dollars in thousands):

Issuance	Face Amount	Coupon Rate	Term	Maturity
August 27, 1997	$ 150,000	7.20%	10 years	August 28, 2007
March 26, 1999	$ 100,000	7.40%	5 years	March 15, 2004
March 26, 1999	$ 200,000	7.75%	10 years	March 15, 2009

Interest on the Senior Unsecured Notes is payable semiannually with principal and unpaid interest due on the scheduled maturity dates. In addition, the five year and 10 year Senior Unsecured Notes issued on March 26, 1999 were issued at a discount of $172,000 and $566,000, respectively.

Net proceeds of approximately $297.4 million received from the issuance of the March 26, 1999 Senior Unsecured Notes were used to repay outstanding borrowings under the Operating Partnership's unsecured credit facility.

4. Unsecured Credit Facilities and Unsecured Term Loan

As of September 30, 1999, the Operating Partnership had a three year $500 million unsecured revolving credit facility (the "Credit Facility") from Chase Manhattan Bank, Union Bank of Switzerland and PNC Bank as co-managers of the credit facility bank group. Interest rates on borrowings under the Credit Facility are priced off of LIBOR plus a sliding scale ranging from 65 basis points to 90 basis points based on the Operating Partnership's investment grade rating on its senior unsecured debt. On March 16, 1999, the Operating Partnership received its investment grade rating on its senior unsecured debt. As a result, the pricing under the Credit Facility was adjusted to LIBOR plus 90 basis points.

The Operating Partnership utilizes the Credit Facility primarily to finance the acquisitions of properties and other real estate investments, fund its development activities and for working capital purposes. At September 30, 1999, the Operating Partnership had availability under the Credit Facility to borrow an additional $196.2 million (net of $50.2 million of outstanding undrawn letters of credit).

As of September 30, 1999, the Operating Partnership had a one year $75 million unsecured term loan (the "Term Loan") from Chase Manhattan Bank. Interest rates on borrowings under the Term Loan are currently priced off of LIBOR plus 175 basis points. The Term Loan matures on December 3, 1999 and the Operating Partnership is currently in negotiations with the Chase Manhattan Bank to extend and refinance the Term Loan. At September 30, 1999, the Operating Partnership had $75 million outstanding under the Term Loan.

On May 24, 1999, in conjunction with the acquisition of Tower (see Note 6), the Operating Partnership obtained a $130 million unsecured bridge facility (The "Bridge Facility") from UBS AG. Interest rates on borrowings under the Bridge Facility were priced off of LIBOR plus approximately 214 basis points. On July 23, 1999, the Bridge Facility was repaid through a long term fixed rate secured borrowing. As a result, certain deferred loan costs incurred in connection with the Bridge Facility were written off. Such amount is reflected as an extraordinary loss in the accompanying consolidated statements of income.

5. Partners' Capital

On May 24, 1999, in conjunction with the Tower acquisition, the Operating Partnership issued 11,694,567 Class B Common Units of general partnership interest to the Company which were valued for GAAP purposes at $26 per unit for total consideration of approximately $304.1 million. The Class B Common Units are entitled to receive an initial annual distribution of $2.24 per unit which distribution is subject to adjustment annually. The Class B Common Units are exchangeable at any time, at the option of the holder, into an equal number of common units subject to customary antidilution adjustments. The Operating Partnership, at its option, may redeem any or all of the Class B Common Units in exchange for an equal number of common units at any time following the four year, six-month anniversary of the issuance of the Class B Common Units.

On June 2, 1999, the Operating Partnership issued six million Series B preferred units of general partnership interests to the Company in exchange for approximately $150 million. The Series B preferred units have a liquidation preference of $25 per unit, and an initial distribution rate of 7.85% per annum with such rate increasing to 8.35% per annum on April 30, 2000 and to 8.85% per annum from and after April 30, 2001. The Series B preferred units are convertible to common units at a conversion rate of .9597 common units for each preferred unit and are redeemable by the Operating Partnership on or after March 2, 2002. Proceeds from the issuance of the Series B preferred units were used as partial consideration in the acquisition of the first mortgage note secured by 919 Third Avenue located in New York City.

On September 22, 1999, the Operating Partnership declared a distribution of $.37125 per common partnership unit payable on October 19, 1999 to its unitholders of record as of October 7, 1999. The distribution declared, which related to the three months ended September 30, 1999, is based upon an annual distribution of $1.485 per unit.

On September 22, 1999, the Operating Partnership declared a distribution on the general partner's Series A preferred units of $.4766 per unit payable on November 1, 1999. The distribution declared, which relates to the three months ended October 31, 1999, is based on an annual distribution of $1.906 per unit.

On September 22, 1999, the Operating Partnership declared a distribution on the general partner's Series B preferred units of $.49063 per unit payable on November 1, 1999. The distribution declared, which relates to the three months ended October 31, 1999, is based upon an annual distribution of $1.96 per unit.

On September 22, 1999, the Operating Partnership declared a distribution of $.56 per Class B common partnership unit payable on November 1, 1999 to the general partner. The distribution declared, which related to the three months ended October 31, 1999, is based upon an annual distribution of $2.24 per unit.

The Board of Directors of the Company has authorized the purchase of up to three million shares of the Company's Class B Common Stock. In addition, the Board of Directors has also authorized the purchase of up to an additional three million shares of the Company's Class B Common Stock and/or its common stock. As of September 30, 1999, in conjunction with the Company's buy back program, the Operating Partnership purchased and retired 780,804 Class B Common Units, previously held by the Company, for approximately $17.4 million.

Net income per common partnership unit and Class B Common partnership unit is determined by allocating net income after preferred distributions and minority partners' interest in consolidated partnerships income to the general and limited partners' based on their weighted average distribution per common partnership units outstanding during the respective periods presented.

Holders of preferred units of limited and general partnership interest are entitled to distributions based on the stated rates of return (subject to adjustment) for those units.

6. Commercial Real Estate Investments

During the three months ended March 31, 1999, the Operating Partnership purchased approximately 68.1 acres of vacant land in Northern New Jersey for approximately $2.6 million. In addition, RMI purchased 74.6 acres of vacant land for approximately $3.7 million and an 846,000 square foot industrial property located in Cranbury, New Jersey for approximately $34 million. During the three months ended September 30, 1999, these were sold to KTR and the Matrix Development Group ("Matrix").

On April 13, 1999, the Operating Partnership received approximately $25.8 million from the redemption of a mortgage note receivable which secured three office properties located in Garden City, Long Island, encompassing approximately 400,000 square feet. As a result, the Operating Partnership recognized a gain of approximately $4.3 million. Such gain has been included in gain on sales of real estate on the accompanying consolidated statements of income.

On June 7, 1999 the Operating Partnership sold a 24,000 square foot office property located in Ossining, New York for approximately $1.5 million. As partial consideration for the sale, the Operating Partnership obtained a $1.2 million, three year purchase money mortgage.

On June 15, 1999, the Operating Partnership acquired the first mortgage note secured by a 42 story, 1.4 million square foot Class A office property located at 919 Third Avenue in New York City for approximately $277.5 million. The first mortgage note entitles the Operating Partnership to all the net cash flow of the property and to substantial rights regarding the operations of the property, with the Operating Partnership anticipating to ultimately obtain title to the property. This acquisition was financed with proceeds from the issuance of six million Series B preferred units of general partnership interest (see note 5) and through draws under the Credit Facility. Current financial accounting guidelines provide that where a lender has virtually the same risks and potential rewards as those of a real estate owner it should recognize the full economics associated with the operations of the property. As such, the Operating Partnership has recognized the real estate operations of the 919 Third Avenue in the accompanying consolidated statement of income for the period from the date of acquisition..

On August 9, 1999, the Operating Partnership executed a contract for the sale, which will take place in three stages, of its interest in RMI which consisted of 28 properties, comprising approximately 6.1 million square feet and three other big box industrial properties to KTR. In addition, the Operating Partnership also entered into a sale agreement with Matrix relating to a first mortgage note and certain industrial land holdings (the "Matrix Sale"). The combined total sale price is $310 million (approximately $42 million of which is payable to the Morris Companies and its affiliates) and will consist of a combination of cash, convertible preferred and common stock of KTR, preferred units of KTR's operating partnership, relief of debt and a purchase money mortgage note secured by certain land that is being sold to Matrix.

During September 1999, the Matrix Sale and the first stage of the RMI closing occurred whereby the Operating Partnership sold its interest in RMI to KTR for a combined sales price of approximately $164.7 million (net of minority partner's interest). The combined consideration consisted of approximately $86.3 million in cash, $40 million of preferred stock of KTR, $1.5 million in common stock of KTR, approximately $26.7 million of debt relief and approximately $10.2 million in purchase money mortgages. As a result, the Operating Partnership incurred a gain of approximately $10.1 million. Cash proceeds from the sales were used primarily to repay borrowings under the Credit Facility.

The second and third stages of the RMI closing are scheduled to be completed in December 1999 and April 2000, respectively. Both of the remaining stages each consist of three industrial buildings and are being sold for total consideration of $50 million and $48 million, respectively.

In July 1998, the Company formed a joint venture, Metropolitan Partners LLC, a Delaware limited liability company ("Metropolitan"), with Crescent Real Estate Equities Company, a Texas real estate investment trust ("Crescent").

On December 8, 1998, the Company, Metropolitan and Tower Realty Trust, Inc. ("Tower") executed a merger agreement and on May 24, 1999 Tower was merged (the "Merger") into Metropolitan, with Metropolitan surviving the Merger. Concurrently with the Merger, Tower Realty Operating Partnership, L.P. ("Tower OP") was merged with and into a subsidiary of Metropolitan. The consideration issued in the mergers was comprised of (i) 25% cash (approximately $107.2 million) and (ii) 75% of shares of Class B Exchangeable Common Stock, par value $.01 per share, of the Company (the "Class B Common Stock") (valued for GAAP purposes at approximately $304.1 million).

Under the terms of the transaction, Metropolitan effectively paid for each share of Tower common stock and each unit of limited partnership interest of Tower OP the sum of (i) $5.75 in cash, and (ii) 0.6273 of a share of Class B Common Stock. The shares of Class B Common Stock are entitled to receive an initial annual dividend of $2.24 per share, which dividend is subject to adjustment annually. The shares of Class B Common Stock are exchangeable at any time, at the option of the holder, into an equal number of shares of common stock, par value $.01 per share, of the Company subject to customary antidilution adjustments. The Company, at its option, may redeem any or all of the Class B Common Stock in exchange for an equal number of shares of the Company's common stock at any time following the four year, six-month anniversary of the issuance of the Class B Common Stock.

The Board of Directors of the Company has authorized a purchase buy back program for the Company's Class B Common Stock (see Note 5).

The Company controls Metropolitan and owns 100% of the common equity; Crescent owns a $85 million preferred equity investment in Metropolitan. Crescent's investment accrues distributions at a rate of 7.5% per annum for a two-year period and may be redeemed by Metropolitan at any time during that period for $85 million, plus an amount sufficient to provide a 9.5% internal rate of return. If Metropolitan does not redeem the preferred interest, upon the expiration of the two-year period, Crescent must convert its $85 million preferred interest into either (i) a common membership interest in Metropolitan or (ii) shares of the Company's common stock at a conversion price of $24.61 per share.

The Tower portfolio acquired in the Merger consisted of three office properties comprising approximately 1.6 million square feet located in New York City, one office property located on Long Island and certain office properties and other real estate assets located outside the Tri-State Area.

Prior to the closing of the Merger, the Company arranged for the sale of four of Tower's Class B New York City properties, comprising approximately 701,000 square feet for approximately $84.5 million. Subsequent to the closing of the Merger, the Company has sold a real estate joint venture interest and all of the property located outside the Tri State Area other than one office property located in Orlando, Florida for approximately $171.1 million. The combined consideration consisted of approximately $143.8 million in cash and approximately $27.3 million of debt relief. Net cash proceeds from the sales were used primarily to repay borrowings under the Credit Facility. As a result of incurring certain sales and closing costs in connection with the sale of the assets located outside the Tri State Area, the Company has incurred a loss of approximately $4.4 million which has been included in gain on sales of real estate on the accompanying consolidated statements of income.

7. Segment Disclosure

The Operating Partnership's portfolio consists of Class A office properties located within the New York City metropolitan area and Class A suburban office and industrial properties located and operated within the Tri-State Area (the "Core Portfolio"). In addition the Operating Partnership's portfolio also includes one office property located in Orlando, Florida and for the period commencing January 6, 1998 and ending September 26, 1999, industrial properties which were owned by RMI. The Operating Partnership has managing directors who report directly to the Chief Operating Officer and Chief Financial Officer who have been identified as the Chief Operating Decision Makers because of their final authority over resource allocation decisions and performance assessment.

In addition, as the Operating Partnership expects to meet its short term liquidity requirements in part through the Credit Facility and Term Loan, interest incurred on borrowings under the Credit Facility and Term Loan is not considered as part of property operating performance. Further, the Operating Partnership does not consider the property operating performance of the office property located in Orlando, Florida as a part of its Core Portfolio.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

The following table sets forth the components of the Operating Partnership's revenues and expenses and other related disclosures for the three months ended September 30, 1999 and 1998 (in thousands):

	Three months ended September 30, 1999			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$ 97,787	$ 5,480	$ 7,602	$ 110,869
Equity in earnings of real estate joint ventures and service companies	---	---	483	483
Other income	209	---	14,170	14,379
Total Revenues	97,996	5,480	22,255	125,731
Expenses:				
Property expenses	37,202	823	2,654	40,679
Marketing, general and administrative	4,384	158	1,770	6,312
Interest	7,817	128	13,218	21,163
Depreciation and amortization	18,684	1,343	1,841	21,868
Total Expenses	68,087	2,452	19,483	90,022
Income before distributions to preferred unitholders, minority interests' and extraordinary items	$ 29,909	$ 3,028	$ 2,772	$ 35,709
Total Assets	$2,104,169	$ 0	$ 576,855	$ 2,681,024

	Three months ended September 30, 1998			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$ 63,820	$ 3,967	$ 151	$ 67,938
Equity in earnings of real estate joint ventures and service companies	---	---	536	536
Other income	107	---	3,014	3,121
Total Revenues	63,927	3,967	3,701	71,595
Expenses:				
Property expenses	21,032	677	493	22,202
Marketing, general and administrative	3,349	158	663	4,170
Interest	4,427	278	8,335	13,040
Depreciation and amortization	12,560	934	1,341	14,835
Total Expenses	41,368	2,047	10,832	54,247
Income before distributions to preferred unitholders, minority interests' and extraordinary items	$ 22,559	$ 1,920	$ (7,131)	$ 17,348
Total Assets	$1,557,066	$ 142,863	$ 72,308	$ 1,772,237

The following table sets forth the components of the Operating Partnership's revenues and expenses and other related disclosures for the nine months ended September 30, 1999 and 1998 (in thousands):

	Nine months ended September 30, 1999			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$240,753	$ 15,380	$ 11,150	$ 267,283
Equity in earnings of real estate joint ventures and service companies	---	---	1,372	1,372
Other income	422	2	23,605	24,029
Total Revenues	241,175	15,382	36,127	292,684
Expenses:				
Property expenses	84,912	2,390	3,823	91,125
Marketing, general and administrative	12,184	456	2,296	14,936
Interest	17,179	671	36,159	54,009
Depreciation and amortization	47,677	3,710	4,699	56,086
Total Expenses	161,952	7,227	46,977	216,156
Income before distributions to preferred unitholders, minority interests' and extraordinary items	$ 79,223	$ 8,155	$(10,850)	$ 76,528

	Nine months ended September 30, 1998			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$172,868	$ 10,603	$ 151	$ 183,622
Equity in earnings of real estate joint ventures and service companies	---	---	1,201	1,201
Other income	329	---	7,772	8,101
Total Revenues	173,197	10,603	9,124	192,924
Expenses:				
Property expenses	59,488	1,793	493	61,774
Marketing, general and administrative	8,587	364	2,165	11,116
Interest	12,110	814	21,613	34,537
Depreciation and amortization	32,804	2,469	2,825	38,098
Total Expenses	112,989	5,440	27,096	145,525

Income before distributions to preferred unitholders, minority interests' and extraordinary items	$ 60,208	$ 5,163	$(17,972)	$ 47,399

8. Non-Cash Investing and Financing Activities (in thousands)

	Nine Months Ended September 30, 1999	1998
Cash paid during the period for interest	$ 40,341	$ 29,411
Interest capitalized during the period	$ 7,281	$ 5,140

On May 24, 1999, in conjunction with the Tower acquisition, the Operating Partnership issued 11,694,567 Class B Common Units which were valued for GAAP purposes at approximately $304.1 million and assumed approximately $133.4 million of indebtedness for a total non cash investment of approximately $437.5 million.

9. Subsequent Events

On October 15, 1999 the Operating Partnership entered into a contract to purchase 1350 Avenue of the Americas, a 540,000 square foot, Class A office property located in New York City for approximately $126.5 million. The closing is anticipated to occur in December,1999.

As of October 25, 1999, in conjunction with the Company's buy back program, the Operating Partnership has purchased and retired an additional 430,000 Class B Common Units, previously held by the Company, for approximately $8.6 million.

During November 1999, the Board of Directors of RSI and the Operating Partnership have approved amendments to the RSI Facility and the RSVP Commitment which are necessary for RSI to proceed with certain proposed acquisition financing. As consideration for such approvals, RSI will pay a fee to the Operating Partnership in the form of approximately 176,000 shares of RSI common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the historical financial statements of Reckson Operating Partnership, L. P. (the "Operating Partnership") and related notes.

The Operating Partnership considers certain statements set forth herein to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the Operating Partnership's expectations for future periods. Certain forward-looking statements, including, without limitation, statements relating to the timing and success of acquisitions, the financing of the Operating Partnership's operations, the ability to lease vacant space and the ability to renew or relet space under expiring leases, involve certain risks and uncertainties. Although the Operating Partnership believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the actual results may differ materially from those set forth in the forward-looking statements and the Operating Partnership can give no assurance that its expectation will be achieved. Certain factors that might cause the results of the Operating Partnership to differ materially from those indicated by such forward-looking statements include, among other factors, general economic conditions, general real estate industry risks, tenant default and bankruptcies, loss of major tenants, the impact of competition and acquisition, redevelopment and development risks, the ability to finance business opportunities and local real estate risks such as an oversupply of space or a reduction in demand for real estate in the Operating Partnership's real estate markets. Consequently, such forward-looking statements should be regarded solely as reflections of the Operating Partnership's current operating and development plans and estimates. These plans and estimates are subject to revisions from time to time as additional information becomes available, and actual results may differ from those indicated in the referenced statements.

Overview and Background

The Operating Partnership, which commenced operations on June 2 1995, is engaged in the ownership, management, operation, leasing and development of commercial real estate properties, principally office and industrial buildings, and also owns certain undeveloped land located in the New York Tri-State area (the "Tri-State Area"). Reckson Associates Realty Corp. (the "Company"), is a self administered and self managed Real Estate Investment Trust ("REIT"), and serves as the sole general partner in the Operating Partnership.

As of September 30, 1999, the Operating Partnership owned and operated 77 office properties comprising approximately 13.1 million square feet, 109 industrial properties comprising approximately 8.0 million square feet and two retail properties comprising approximately 20,000 square feet, located in the Tri-State Area. The Operating Partnership also owns and operates a 357,000 square foot office building located in Orlando, Florida. In addition, the Operating Partnership owned or had contracted to acquire approximately 377 acres of land in 16 separate parcels of which the Operating Partnership can develop approximately 2.8 million square feet of industrial and office space. The

Operating Partnership also has invested approximately $312.9 million in mortgage notes encumbering three Class A office properties encompassing approximately 1.6 million square feet, approximately 472 acres of land located in New Jersey and in a note receivable secured by a partnership interest in Omni Partner's, L.P., owner of the Omni, a 575,000 square foot Class A office property located in Uniondale, New York.

During 1997, the Company formed Reckson Service Industries, Inc. ("RSI") and Reckson Strategic Venture Partners, LLC ("RSVP"). On June 11, 1998, the Operating Partnership distributed its 95% common stock interest in RSI of approximately $3 million to its owners, including the Company which, in turn, distributed the common stock of RSI received from the Operating Partnership to its stockholders. Additionally, during June 1998, the Operating Partnership established a credit facility with RSI (the"RSI Facility") in the amount of $100 million for RSI's service sector operations and other general corporate purposes. As of September 30, 1999, the Operating Partnership had advanced $83.6 million under the RSI Facility. In addition, the Operating Partnership has approved the funding of investments of up to $100 million with or in RSVP (the "RSVP Commitment"), through RSVP-controlled joint venture REIT- qualified investments or advances made to RSI under terms similar to the RSI Facility. As of September 30, 1999, approximately $54.8 million had been invested through the RSVP Commitment, of which $21.8 million represents RSVP-controlled joint venture REIT- qualified investments and $33.0 million represents advances to RSI under the RSVP Commitment.

During November 1999, the Board of Directors of RSI and the Operating Partnership have approved amendments to the RSI Facility and the RSVP Commitment which are necessary for RSI to proceed with certain proposed acquisition financing. As consideration for such approvals, RSI will pay a fee to the Operating Partnership in the form of approximately 176,000 shares of RSI common stock.

RSI serves as the managing member of RSVP. RSI invests in operating companies that generally provide commercial services to properties owned by the Operating Partnership and its tenants and third parties nationwide. RSVP was formed to provide the Company with a research and development vehicle to invest in alternative real estate sectors. RSVP invests primarily in real estate and real estate related operating companies generally outside of the Company's core office and industrial focus. RSVP's strategy is to identify and acquire interests in established entrepreneurial enterprises with experienced management teams in market sectors which are in the early stages of their growth cycle or offer unique circumstances for attractive investments as well as a platform for future growth.

On January 6, 1998, the Operating Partnership made its initial investment in the Morris Companies, a New Jersey developer and owner of "Big Box" warehouse facilities. In connection with the transaction the Morris Companies contributed 100% of their interests in certain industrial properties to Reckson Morris Operating Partnership, L. P. ("RMI") in exchange for operating partnership units in RMI. The Operating Partnership has agreed to invest up to $150 million in RMI.

On August 9, 1999, the Operating Partnership executed a contract for the sale, which will take place in three stages, of its interest in RMI which consisted of 28 properties, comprising approximately 6.1 million square feet and three other big box industrial properties to KTR. In addition, the Operating Partnership also entered into a sale agreement with Matrix relating to a first mortgage note and certain industrial land holdings (the "Matrix Sale"). The combined total sale price is $310 million (approximately $42 million of which is payable to the Morris Companies and its affiliates) and will consist of a combination of cash, convertible preferred and common stock of KTR, preferred units of KTR's operating partnership, relief of debt and a purchase money mortgage note secured by certain land that is being sold to Matrix.

In July 1998, the Company formed a joint venture, Metropolitan Partners LLC, a Delaware limited liability company ("Metropolitan"), with Crescent Real Estate Equities Company, a Texas real estate investment trust ("Crescent").

On December 8, 1998, the Company, Metropolitan and Tower Realty Trust, Inc. ("Tower") executed a merger agreement and on May 24, 1999 Tower was merged (the "Merger") into Metropolitan, with Metropolitan surviving the Merger. Concurrently with the Merger, Tower Realty Operating Partnership, L.P. ("Tower OP") was merged with and into a subsidiary of Metropolitan. The consideration issued in the mergers was comprised of (i) 25% cash (approximately $107.2 million) and (ii) 75% of shares of Class B Exchangeable Common Stock, par value $.01 per share, of the Company (the "Class B Common Stock") (valued for GAAP purposes at approximately $304.1 million).

Under the terms of the transaction, Metropolitan effectively paid for each share of Tower common stock and each unit of limited partnership interest of Tower OP the sum of (i) $5.75 in cash, and (ii) 0.6273 of a share of Class B Common Stock. The shares of Class B Common Stock are entitled to receive an initial annual dividend of $2.24 per share, which dividend is subject to adjustment annually. The shares of Class B Common Stock are exchangeable at any time, at the option of the holder, into an equal number of shares of common stock, par value $.01 per share, of the Company subject to customary antidilution adjustments. The Company, at its option, may redeem any or all of the Class B Common Stock in exchange for an equal number of shares of the Company's common stock at any time following the four year, six-month anniversary of the issuance of the Class B Common Stock.

The Board of Directors of the Company has authorized a purchase buy back program for the Company's Class B Common Stock (see Liquidity and Capital Resources).

The Company controls Metropolitan and owns 100% of the common equity; Crescent owns a $85 million preferred equity investment in Metropolitan. Crescent's investment accrues distributions at a rate of 7.5% per annum for a two-year period and may be redeemed by Metropolitan at any time during that period for $85 million, plus an amount sufficient to provide a 9.5% internal rate of return. If Metropolitan does not redeem the preferred interest, upon the expiration of the two-year period, Crescent must convert its $85 million preferred interest into either (i) a common membership interest in Metropolitan or (ii) shares of the Company's common stock at a conversion price of $24.61 per share.

The Tower portfolio acquired in the Merger consisted of three office properties comprising approximately 1.6 million square feet located in New York City, one office property located on Long Island and certain office properties and other real estate assets located outside the Tri-State Area.

Prior to the closing of the Merger, the Company arranged for the sale of four of Tower's Class B New York City properties, comprising approximately 701,000 square feet for approximately $84.5 million. Subsequent to the closing of the Merger, the Company has sold a real estate joint venture interest and all of the property located outside the Tri State Area other than one office property located in Orlando, Florida for approximately $171.1 million. The combined consideration consisted of approximately $143.8 million in cash and approximately $27.3 million of debt relief. Net cash proceeds from the sales were used primarily to repay borrowings under the Credit Facility. As a result of incurring certain sales and closing costs in connection with the sale of the assets located outside the Tri State Area, the Company has incurred a loss of approximately $4.4 million which has been included in gain on sales of real estate on the Company's consolidated statements of income.

The market capitalization of the Operating Partnership at September 30, 1999 was approximately $2.9 billion. The Operating Partnership's market capitalization is calculated based on the value of the Operating Partnership's common units and Class B Common Units (which, for this purpose, is assumed to be the same per unit as the market value of a share of the Company's common stock and Class B Common Stock), the liquidation preference values of the Operating Partnership's preferred units and the $1.2 billion (including its share of joint venture debt and net of minority partners' interest) of debt outstanding at September 30, 1999. As a result, the Operating Partnership's total debt to total market capitalization ratio at September 30, 1999 equaled approximately 42.4%.

Result of Operations

The Operating Partnership's total revenues increased by $54.1 million or 75.6% for the three months ended September 30, 1999 as compared to the 1998 period. The growth in total revenues is primarily attributable to the gain on sales of real estate ($10.1 million or 18.6%), the Operating Partnership's acquisition of the Tower portfolio on May 24, 1999 (including $4.8 million attributable to properties sold during the quarter) and the acquisition of the first mortgage note secured by 919 Third Avenue. Property operating revenues, which include base rents and tenant escalations and reimbursements ("Property Operating Revenues") increased by $42.9 million or 63.2% for the three months ended September 30, 1999 as compared to the 1998 period. The 1999 increase in Property Operating Revenues is comprised of approximately $3.9 million attributable to increases in rental rates and changes in occupancies and approximately $39.0 million attributable to the acquisitions and development of properties. The Company's base rent was increased by the impact of the straight-line rent adjustment by $2.1 million for the three months ended September 30, 1999 as compared to $2.0 million for the 1998 period.

Property operating expenses, real estate taxes and ground rents ("Property Expenses") increased by $18.5 million or 83.2% for the three months ended September 30, 1999 as compared to the 1998 period. These increases are primarily due to the acquisition of the Tower portfolio on May 24, 1999 (including $2.2 million attributable to properties sold during the quarter) and the acquisition of the first mortgage note secured by 919 Third Avenue, which operations were reflected in Property Expenses. Gross operating margins (defined as Property Operating Revenues less Property Expenses, taken as a percentage of Property Operating Revenues) for the three months ended September 30, 1999 and 1998 were 63.3% and 67.3% respectively. The decrease in gross operating margins is primarily attributable to the Operating Partnership's acquisitions of full service office buildings which generally operate on lower gross operating margins.

Marketing, general and administrative expenses increased by $2.1 for the three months ended September 30, 1999 as compared to the 1998 period. The increase is due to the increased costs of managing the acquisition properties and the increase in corporate management and administrative costs associated with the growth of the Company including the opening of its New York City division. Marketing, general and administrative expenses as a percentage of total revenues were 5.02% for the three months ended September 30, 1999 as compared to 5.82% for the 1998 period.

Interest expense increased by $8.1 million for the three months ended September 30, 1999 as compared to the 1998 period. The increase is attributable to an increased cost attributable to an increased average balance on the Operating Partnership's credit facilities and Term Loan, interest on the Operating Partnership's senior unsecured notes issued on March 26, 1999 and an increase in secured borrowings primarily attributable to the assumption of debt (including $26.9 million relating to properties sold during the quarter) and incurrence of new debt in conjunction with the Tower acquisition. The weighted average balance outstanding on the Company's credit facilities and Term Loan was $479.7 million for the three months ended September 30, 1999 as compared to

$419.8 million for the 1998 period.

The Operating Partnership's total revenues increased by $99.8 million or 51.7 % for the nine months ended September 30, 1999 as compared to the 1998 period. The growth in total revenues is primarily attributable to the gain on sales of real estate ($10.1 million or 10.1%), the Operating Partnership's acquisition of the Tower portfolio on May 24, 1999 (including $7.3 million attributable to properties that were sold) and the acquisition of the first mortgage note secured by 919 Third Avenue. Property Operating Revenues increased by $83.7 million or 45.6% for the nine months ended September 30, 1999 as compared to the 1998 period. The 1999 increase in Property Operating Revenues is comprised of $7.9 million attributable to increases in rental rates and changes in occupancies and $75.8 million attributable to acquisitions and development of properties. The Operating Partnership's base rent was increased by the impact of the straight-line rent adjustment by $6.8 million for the nine months ended September 30, 1999 as compared to $5.7 million for the 1998 period.

Property Expenses increased by $29.4 million or 47.5% for the nine months ended September 30, 1999 as compared to the 1998 period. These increases are primarily due to the acquisition of the Tower portfolio (including $3.1 million attributable to properties sold during the third quarter) and the acquisition of the first mortgage note secured by 919 Third Avenue, which operations are reflected in Property Expenses. Gross operating margins for the nine months ended September 30, 1999 and 1998 were 65.9% and 66.4%, respectively. The decrease in gross operating margins reflects The Operating Partnership's acquisition of full service office buildings which generally operate on lower gross operating margins.

Marketing, general and administrative expenses increased by $3.8 million for the nine months ended September 30, 1999 as compared to the 1998 period. The increase is due to increased costs of managing the acquisition properties and the increase in corporate management and administrative costs associated with the growth of the Operating Partnership including the opening of its New York City division. Marketing, general and administrative expenses as a percentage of total revenues were 5.1% for the nine months ended September 30, 1999 as compared to 5.8% for the 1998 period.

Interest expense increased by $19.5 million for the nine months ended September 30, 1999 as compared to the 1998 period. The increase is attributable to an increased cost attributable to an increased average balance on the Operating Partnership's credit facilities and Term Loan, interest on the Operating Partnership's senior unsecured notes issued on March 26, 1999 and an increase in secured borrowings primarily attributable to the assumption of debt (including $26.9 million relating to properties sold during the third quarter) and incurrence of new debt in conjunction with the Tower acquisition. The weighted average balance outstanding on the Operating Partnership's credit facilities was $446.1 million for the nine months ended September 30, 1999 as compared to $348.0 million for the 1998 period.

Liquidity and Capital Resources

During April 1998, the Company contributed approximately $221 million to the Operating Partnership in exchange for 9,200,000 Series A preferred units. The Series A preferred units have a liquidation preference of $25 per unit, a distribution rate of 7.625 % and are convertible to the Operating Partnership's common units at a conversion rate of .8769 common units for each preferred unit. Additionally, with the acquisition of six office properties and the remaining 50% interest in a 365,000 square foot vacant office building located in Westchester County, the Operating Partnership issued series B, C and D preferred operating units in the amount of approximately $42.5 million. The series B, C and D preferred units have a current distribution rate of 6.25% and are convertible to common units at conversion prices of approximately $32.51, $29.39 and $29.12, respectively for each preferred unit.

On March 26, 1999, the Operating Partnership issued $100 million of 7.4% senior unsecured notes due March 15, 2004 and $200 million of 7.75% senior unsecured notes due March 15, 2009. Net proceeds of approximately $297.4 million were used to repay outstanding borrowings under the Operating Partnership's unsecured credit facility.

As of September 30, 1999, the Operating Partnership had a three year $500 million unsecured revolving credit facility (the "Credit Facility") from Chase Manhattan Bank, Union Bank of Switzerland and PNC Bank as co-managers of the credit facility bank group. Interest rates on borrowings under the Credit Facility are priced off of LIBOR plus a sliding scale ranging from 65 basis points to 90 basis points based on the Operating Partnership's investment grade rating on its senior unsecured debt. On March 16, 1999, the Operating Partnership received its investment grade rating on its senior unsecured debt. As a result, the pricing under the Credit Facility was adjusted to LIBOR plus 90 basis points.

The Operating Partnership utilizes the Credit Facility primarily to finance the acquisitions of properties and other real estate investments, fund its development activities and for working capital purposes. At September 30, 1999, the Operating Partnership had availability under the Credit Facility to borrow an additional $196.2 million (net of $50.2 million of outstanding undrawn letters of credit).

As of September 30, 1999, the Operating Partnership had a one year $75 million unsecured term loan (the "Term Loan") from Chase Manhattan Bank. Interest rates on borrowings under the Term Loan are currently priced off of LIBOR plus 175 basis points. The Term Loan matures on December 3, 1999 and the Operating Partnership is currently in negotiations with the Chase Manhattan Bank to extend and refinance the Term Loan. At September 30, 1999, the Operating

Partnership had $75 million outstanding under the Term Loan.

On May 24, 1999, in conjunction with the acquisition of Tower, the Operating Partnership obtained a $130 million unsecured bridge facility (The "Bridge Facility") from UBS AG. Interest rates on borrowings under the Bridge Facility were priced off of LIBOR plus approximately 214 basis points. On July 23, 1999, the Bridge Facility was repaid through a long term fixed rate secured borrowing. As a result, certain deferred loan costs incurred in connection with the Bridge Facility were written off. Such amount has been reflected as an extraordinary loss in the Operating Partnership's consolidated statements of income.

On May 24, 1999, in conjunction with the Tower acquisition, the Operating Partnership issued 11,694,567 Class B Common Units of general partnership interest to the Company which were valued for GAAP purposes at $26 per unit for total consideration of approximately $304.1 million. The Class B Common Units are entitled to receive an initial annual distribution of $2.24 per unit, which distribution is subject to adjustment annually. The Class B Common Units are exchangeable at any time, at the option of the holder, into an equal number of common units subject to customary antidilution adjustments. The Operating Partnership, at its option, may redeem any or all of the Class B Common Units in exchange for an equal number of common units at any time following the four year, six-month anniversary of the issuance of the Class B Common Units.

The Board of Directors of the Company has authorized the purchase of up to three million shares of the Company's Class B Common Stock. In addition, the Board of Directors has also authorized the purchase of up to an additional three million shares of the Company's Class B Common Stock and/or its common stock. As of September 30, 1999, in conjunction with the Company's buy back program, the Operating Partnership purchased and retired 780,804 Class B Common Units, previously held by the Company, for approximately $17.4 million.

On June 2, 1999, the Operating Partnership issued six million Series B preferred units of general partnership interests to the Company in exchange for approximately $150 million. The Series B preferred units have a liquidation preference of $25 per unit, and an initial distribution rate of 7.85% per annum with such rate increasing to 8.35% per annum on April 30, 2000 and to 8.85% per annum from and after April 30, 2001. The Series B preferred units are convertible to common units at a conversion rate of .9597 common units for each preferred unit and are redeemable by the Operating Partnership on or after March 2, 2002. Proceeds from the issuance of the Series B preferred units were used as partial consideration in the acquisition of the first mortgage note secured by 919 Third Avenue located in New York City.

The Operating Partnership's indebtedness at September 30, 1999 totaled $1.2 billion (including its share of joint venture debt and net of the minority partners' interests) and was comprised of $253.6 million outstanding under the credit facilities, $75 million outstanding under the Term Loan, $449.3 million of senior unsecured notes and approximately $460.7 million of mortgage indebtedness. Based on the Operating Partnership's total market capitalization of approximately $2.9 billion at September 30, 1999 (calculated based on the value of the Operating Partnership's common units and Class B Common Units (which, for this purpose, is assumed to be the same per unit as the market value of a share of the Company's common stock and Class B Common Stock), the stated value of the Operating Partnership's preferred units), the Operating Partnership's debt represented approximately 42.4% of its total market capitalization.

Historically, rental revenue has been the principal source of funds to pay operating expenses, debt service and capital expenditures, excluding non-recurring capital expenditures of the Operating Partnership. The Operating Partnership expects to meet its short term liquidity requirements generally through its net cash provided by operating activities along with the Credit Facility previously discussed. The Operating Partnership expects to meet certain of its financing requirements through long-term secured and unsecured borrowings and the issuance of debt securities and additional equity securities of the Operating Partnership. The Operating Partnership will refinance existing mortgage indebtedness or indebtedness under the Credit Facility at maturity or retire such debt through the issuance of additional debt securities or additional equity securities. The Operating Partnership anticipates that the current balance of cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and debt and equity offerings, will be adequate to meet the capital and liquidity requirements of the Operating Partnership in both the short and long-term.

SUPPLEMENTAL INFORMATION ON CAPITAL EXPENDITURES, TENANT IMPROVEMENT AND LEASING COMMISSIONS

The following table summarizes the expenditures incurred for non-incremental capital expenditures, tenant improvements and leasing commissions for the Operating Partnership's office and industrial properties for the nine month period ended September 30, 1999 and the historical average of such non-incremental capital expenditures, tenant improvements and leasing commissions for the years 1995 through 1998.

Non-Incremental Revenue Generating Capital Expenditures

	1995	1996	1997	1998	1995 -1998 Average	Nine Months Ended Sept. 30, 1999

Office Properties						
Total	$364,545	$375,026	$1,108,675	$2,004,976	$963,305	$1,513,209
Per Square Foot	0.19	0.13	0.22	0.23	0.19	0.16
Industrial Properties						
Total	$290,457	$670,751	$733,233	$1,205,266	$724,927	$791,704
Per Square Foot	0.08	0.18	0.15	0.12	0.13	0.09

Non-Incremental Revenue Generating Tenant Improvements and Leasing Commissions

	1995	1996	1997	1998	1995 -1998 Average	Nine Months Ended Sept. 30, 1999
Long Island Office Properties						
Tenant Improvements	$452,057	$523,574	$784,044	$1,140,251	$724,982	$542,538
Per Square Foot Improved	4.44	4.28	7.00	3.98	4.92	4.15
Leasing Commissions	$144,925	$119,047	$415,822	$418,191	$274,496	$190,105
Per Square Foot Leased	1.42	0.97	4.83	1.46	2.17	0.88
Total Per Square Foot	$5.86	$5.25	$11.83	$5.44	$7.09	$5.03
Westchester Office Properties						
Tenant Improvements	N/A	$834,764	$1,211,665	$711,160	$961,413	$865,536
Per Square Foot Improved	N/A	6.33	8.90	4.45	6.67	6.25
Leasing Commissions	N/A	$264,388	$366,257	$286,150	$326,204	$334,783
Per Square Foot Leased	N/A	2.00	2.69	1.79	2.24	2.42
Total Per Square Foot	N/A	$8.33	$11.59	$6.24	$8.91	$8.67
Connecticut Office Properties						
Tenant Improvements	N/A	$58,000	$1,022,421	$202,880	$570,356	$108,881
Per Square Foot Improved	N/A	12.45	13.39	5.92	9.66	4.89
Leasing Commissions	N/A	$0.00	$256,615	$151,063	$181,190	$89,142
Per Square Foot Leased	N/A	0.00	3.36	4.41	3.89	4.00
Total Per Square Foot	N/A	$12.45	$16.75	$10.33	$13.55	$8.89
New Jersey Office Properties						
Tenant Improvements	N/A	N/A	N/A	$654,877	$654,877	$190,958
Per Square Foot Improved	N/A	N/A	N/A	3.78	3.78	2.10
Leasing Commissions	N/A	N/A	N/A	$396,127	$396,127	$346,831
Per Square Foot Leased	N/A	N/A	N/A	2.08	2.08	3.81
Total Per Square Foot	N/A	N/A	N/A	$5.86	$5.86	$5.91
Industrial Properties						
Tenant Improvements	$210,496	$380,334	$230,466	$283,842	$276,285	$249,807
Per Square Foot Improved	0.90	0.72	0.55	0.76	0.73	0.20
Leasing Commissions	$107,351	$436,213	$81,013	$200,154	$206,183	$753,855
Per Square Foot Leased	0.46	0.82	0.19	0.44	0.48	0.61
Total Per Square Foot	$1.36	$1.54	$0.75	$1.20	$1.21	$0.81

1995 - 1998 average weighted to reflect October 1996 acquisition date

LEASE EXPIRATIONS

The following table sets forth scheduled lease expirations for executed leases as of September 30, 1999:

Long Island Office Properties (excluding Omni):

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	10	41,860	1.4%	$20.65	$21.28
2000	43	254,282	8.6%	$21.86	$21.11
2001	40	187,022	6.3%	$22.15	$24.16
2002	32	253,748	8.6%	$22.31	$24.37
2003	52	345,662	11.7%	$21.81	$24.60
2004	43	259,947	8.8%	$22.83	$25.29
2005 and thereafter	94	1,623,174	54.7%	---	---

Total	314	2,965,695	100.0%

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.
Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

Omni:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	---				
2000	3	56,211	9.5%	$32.15	$36.99
2001	4	32,680	5.6%	$27.36	$33.63
2002	4	129,351	22.0%	$30.00	$33.26
2003	5	72,530	12.3%	$29.56	$34.29
2004	4	112,414	19.1%	$26.03	$33.16
2005 and thereafter	9	185,607	31.5%	---	---
Total	29	588,793	100.00%		

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.

Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

Industrial Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	13	145,928	3.1%	$5.11	$5.98
2000	32	491,504	10.6%	$4.97	$5.63
2001	31	732,183	15.8%	$5.69	$7.02
2002	26	221,744	4.8%	$6.25	$6.96
2003	30	724,434	15.6%	$5.26	$5.98
2004	27	522,242	11.3%	$6.65	$7.18
2005 and thereafter	44	1,799,267	38.8%	---	---
Total	203	4,637,302	100.00%		

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.

Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

Research and Development Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	3	14,039	1.1%	$11.71	$12.87
2000	6	101,419	8.0%	$7.77	$8.01
2001	8	150,120	11.8%	$10.75	$11.31
2002	3	67,967	5.3%	$10.54	$12.51
2003	4	271,042	21.3%	$5.38	$6.41
2004	7	107,344	8.4%	$11.87	$13.13
2005 and thereafter	13	560,554	44.1%	---	---
Total	44	1,272,485	100.00%		

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.

Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

Westchester Office Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	13	30,593	1.1%	$22.77	$20.40
2000	51	366,033	13.4%	$22.42	$22.74
2001	44	322,090	11.8%	$22.03	$22.34
2002	48	457,396	16.7%	$20.47	$20.70
2003	35	246,705	9.0%	$21.75	$22.98
2004	25	134,039	4.9%	$20.42	$21.41
2005 and thereafter	38	1,176,001	43.0%	---	---
Total	254	2,732,857	100.0%		

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.

Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

Stamford Office Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	7	16,966	1.7%	$22.58	$21.84
2000	26	106,290	10.4%	$22.41	$22.78
2001	25	103,383	10.1%	$24.14	$25.22
2002	16	91,088	8.9%	$27.20	$28.43
2003	14	93,385	9.1%	$31.89	$32.69
2004	19	213,768	20.9%	$21.23	$22.20
2005 and thereafter	23	399,020	39.0%	---	---
Total	130	1,023,900	100.0%		

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.

Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

New Jersey Office Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	---	---	0.0%	---	---
2000	30	285,661	15.8%	$23.30	$23.72
2001	22	261,036	14.5%	$18.09	$18.29
2002	21	182,636	10.1%	$19.82	$20.02
2003	18	327,593	18.1%	$17.90	$18.01
2004	31	217,955	12.1%	$22.32	$22.87
2005 and thereafter	23	530,546	29.4%	---	---
Total	145	1,805,427	100.00%		

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.

Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

New York City

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	% of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	2	8,010	0.3%	$36.46	$36.47
2000	10	267,904	9.3%	$28.53	$31.91
2001	17	138,472	4.8%	$35.10	$32.75
2002	14	176,539	6.1%	$32.37	$33.18
2003	6	93,752	3.3%	$31.16	$31.64
2004	8	108,110	3.8%	$34.31	$33.76
2005 and thereafter	76	2,081,702	72.4%	---	---
Total	133	2,874,489	100.00%		

Per square foot rental rate represents annualized straight line rent as of the lease expiration date.

Per square foot rental rate represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs.

Inflation

The office leases generally provide for fixed base rent increases or indexed escalations. In addition, the office leases provide for separate escalations of real estate taxes and electric costs over a base amount. The industrial leases also generally provide for fixed base rent increases, direct pass through of certain operating expenses and separate real estate tax escalations over a base amount. The Operating Partnership believes that inflationary increases in expenses will generally be offset by contractual rent increases and expense escalations described above.

The credit facilities and Term Loan bear interest at a variable rate, which will be influenced by changes in short-term interest rates, and are sensitive to inflation.

Impact of Year 2000

Some of the Operating Partnership's older computer programs were written using two digits rather than four to define the applicable year. As a result, those computer programs have time-sensitive software that recognizes a date using "00" as the year 1900 rather than the year 2000. This could cause a system failure or miscalculation causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

The Operating Partnership has completed an assessment to modify or replace portions of its software so that its computer systems will function properly with respect to dates in the year 2000 and thereafter. Currently, the entire property management system is year 2000 compliant and has been thoroughly tested. Since the Operating Partnership's accounting software is maintained and supported by an unaffiliated third party, the total year 2000 project cost as it relates to the accounting software is estimated to be minimal.

The year 2000 project has been completed, which is prior to any anticipated impact on its operating systems. Additionally, the Operating Partnership has received assurances from its contractors that all of the Operating Partnership's building management and mechanical systems are currently year 2000 compliant or will be made compliant prior to any impact on those systems. However, the Operating Partnership cannot guarantee that all contractors will comply with their assurances and therefore, the Operating Partnership may not be able to determine year 2000 compliance of those contractors. At that time, the Operating Partnership will determine the extent to which the Operating Partnership will be able to replace non compliant contractors. The Operating Partnership believes that with modifications to existing software and conversions to new software, the year 2000 issue will not pose significant operational problems for its computer systems. However, if such modifications and conversions are not made, or are not completed timely, the year 2000 issue could have a material impact on the operations of the Operating Partnership.

To date, the Operating Partnership has expended approximately one million dollars in connection with upgrading building management, mechanical and computer systems. The costs and completion of the project on which the Operating Partnership believes it has completed the year 2000 modifications are based on management's best estimates, which were derived utilizing numerous assumptions of future events, including the continued availability of certain resources and other factors. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and costs of personnel trained in this area, the ability to locate and correct all relevant computer codes, and similar uncertainties.

In a "worst case scenario", the Operating Partnership believes that failure of the building management and mechanical systems to operate properly would result in inconveniences to the building tenants which might include no elevator service, lighting or entry and egress. In this case, the management of the Operating Partnership would manually override such systems in order for normal operations to resume. Additionally, in a "worst case scenario" of the failure of the upgrades to the accounting software, the Operating Partnership would be required to process transactions, such as the issuance of disbursements, manually until an alternative system was implemented. If the Operating Partnership was not successful in implementing their year 2000 compliance plan, the Operating Partnership may suffer a material adverse impact on their consolidated results of operations and financial condition.

Funds From Operations

Management believes that funds from operations ("FFO") is an appropriate measure of performance of an operating partnership which is a general partner of an equity REIT. FFO is defined by the National Association of Real Estate Investment Trusts (NAREIT) as net income or loss, excluding gains or losses from debt restructurings and sales of properties, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Operating Partnership's operating performance or as an alternative to cash flow as a measure of liquidity. In March 1995, NAREIT issued a "White Paper" analysis to address certain interpretive issues under its definition of FFO. The White Paper provides that amortization of deferred financing costs and depreciation of non-rental real estate assets are no longer to be added back to net income to arrive at FFO.

Since all companies and analysts do not calculate FFO in a similar fashion, the Operating Partnership's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

The following table presents the Operating Partnership's FFO calculation (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Income before extraordinary items	$ 25,574	$ 11,649	$ 52,579	$ 36,259
Less:				
Extraordinary loss	629	1,993	629	1,993
Net Income	24,945	9,656	51,950	34,266
Adjustment for Funds From Operations:				
Add:				
Real Estate Depreciation and Amortization	21,312	14,035	54,406	36,822
Minority interests in consolidated partnerships	2,150	665	4,933	1,938
Extraordinary loss	629	1,993	629	1,993
Less:				
Gain on sales of real estate	10,052	---	10,052	---
Amount distributed to minority partners in consolidated partnerships	2,607	1,190	6,031	2,989
Funds From Operations	$ 36,377	$ 25,159	$ 95,835	$ 72,030
Weighted average units outstanding	59,526	47,753	53,430	46,999

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The primary market risk facing the Operating Partnership is interest rate risk on its long term debt, mortgage notes and notes receivable. The Operating Partnership does not hedge interest rate risk using financial instrument nor is the Operating Partnership subject to foreign currency risk.

The Operating Partnership manages its exposure to interest rate risk on its variable rate indebtedness by borrowing on a short-term basis under its Credit Facility or Term Loan until such time as it is able to retire the short-term variable rate debt with a long-term fixed rate debt offering on terms that are advantageous to the Operating Partnership or through general partner contributions.

The following table sets forth the Operating Partnership's long term debt obligations by scheduled principal cash flow payments and maturity date, weighted average interest rates and estimated fair market value ("FMV") at September 30, 1999 (dollars in thousands):

	For the Year Ended December 31,							
	1999	2000	2001	2002	2003	Thereafter	Total	F.M.V
Long term debt:								
Fixed rate	$ 1,347	$33,883	$ 21,332	$ 14,980	$ 6,724	$ 832,459	$ 910,725	$ 910,725
Weighted average interest rate	7.96%	7.40%	7.45%	7.89%	8.00%	7.52%	7.53%	
Variable rate	$75,000	$ ---	$253,600	$ ---	$ ---	$ ---	$ 328,600	$ 328,600
Weighted average interest rate	7.13%	---	6.28%	---	---	---	6.47%	

Includes unamortized issuance discounts of $704,000 on the 5 and 10 year senior unsecured notes issued on March 26, 1999 which are due at maturity.

In addition, the Operating Partnership has assessed the market risk for its variable rate debt, which is based upon LIBOR, and believes that a one percent increase in the LIBOR rate would have an approximate $3.3 million annual increase in interest expense based on approximately $328.6 million outstanding at September 30, 1999.

The following table sets forth the Operating Partnership's mortgage notes and note receivables by scheduled maturity date, weighted average interest rates and estimated FMV at September 30, 1999 (dollars in thousands):

	For the Year Ended December 31,							
	1999	2000	2001	2002	2003	Thereafter	Total	F.M.V
Mortgage notes and notes receivable:								
Fixed rate	$ 685	$282,727	$ 15	$ 10,624	$ ---	$ 53,490	$ 347,541	$ 347,541
Weighted average interest rate	10.49%	9.42%	9.00%	10.34%	---	10.68%	9.64%	

The fair value of the Operating Partnership's long term debt, mortgage notes and notes receivable is estimated based on discounting future cash flows at interest rates that management believes reflects the risks associated with long term debt, mortgage notes and notes receivable of similar risk and duration.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings - None
Item 2. Changes in Securities and use of proceeds - None
Item 3. Defaults Upon Senior Securities - None
Item 4. Submission of Matters to a Vote of Securities Holders - None
Item 5. Other information

The Board of Directors of the Company has approved certain amendments to the governance provisions of the Company.

The Board of Directors has approved an amendment to the Company's charter to opt into a provision of the Maryland General Corporation Law (the "MGCL") requiring a vote of two-thirds of the common stock to remove one or more directors. Previously the entire board of directors could be removed, at any time, with or without cause, by the affirmative vote of a majority of the votes entitled to be cast for the election of directors.

Under Section 3-805 of the MGCL (a recent amendment) a corporation may raise the threshold amount of shares that must be held by stockholders calling a special stockholder meeting to a majority of all votes to be cast at such meeting. In accordance the with MGCL, the Board of Directors has approved an amendment to the Company's by laws providing that a special meeting of stockholders need only be called if requested by holders of the majority of votes eligible to be cast at such meeting. The Company's previous bylaws provided that special meetings of stockholders could be called by the secretary upon the written request of holders of shares entitled to cast not less than 25% of all votes entitled to be cast at such meeting. Raising the threshold allows the Company to avoid calling special meetings, unless the purpose of the meeting has substantial support among stockholders.

The Board of Directors has also approved the Company's opting into the Maryland Business Combination Statute. A business combination statue provides substantial defensive protection to a company, by preventing an unsolicited acquiror seeking a post-offer merger from acquiring a substantial stock position without first obtaining approval of the Company's board. Maryland's business combination law imposes a 5-year time limitation and supermajority stockholder approval requirements on business combinations with persons who acquire 10% or more of a company's voting power before the company's board of directors has approved the proposed business combination.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibit 27 Financial Data Schedule

b) During the three months ended September 30, 1999 the registrant filed the following reports:

On August 25, 1999, the Operating Partnership filed Form 8-K announcing its entering into a Contribution and Exchange agreement with respect to the disposition of RMI. In addition, the Operating Partnership announced its entering into an agreement with Matrix relating to the disposition of certain industrial land holdings and a mortgage note.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RECKSON OPERATING PARTNERSHIP, L.P.

BY: RECKSON ASSOCIATES REALTY CORP., its general partner

November 11, 1999	/s/ Scott H. Rechler
Date	Scott H. Rechler, Co-Chief Executive Officer and President
November 11, 1999	/s/ Michael Maturo
Date	Michael Maturo, Executive Vice President, Treasurer and Chief Financial Officer

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RECKSON OPERATING PARTNERSHIP, L.P.
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