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 June 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 JUNE 30, 1999

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	June 30, 1999	December 31, 1998
	(unaudited)	
Assets		
Commercial real estate properties, at cost		
Land	$ 289,191	$ 212,540
Buildings and improvements	1,835,625	1,372,549
Developments in progress:		---
Land	75,354	69,143
Development costs	71,613	82,901
Real estate held for sale	221,703	---
Furniture, fixtures and equipment	6,486	6,090
	2,499,972	1,743,223
Less accumulated depreciation	(189,482)	(159,049)
	2,310,490	1,584,174
Investments in real estate joint ventures	21,803	15,104
Investment in mortgage notes and notes receivable	341,666	99,268
Cash and cash equivalents	41,289	2,228
Tenant receivables	2,978	5,159
Investments in and advances to affiliates	94,698	53,154
Deferred rent receivable	24,955	22,526
Prepaid expenses and other assets	20,053	46,372
Contract and land deposits and pre-acquisition costs	2,118	2,253
Deferred lease and loan costs	33,324	24,282
Total Assets	$ 2,893,374	$ 1,854,520
Liabilities		
Mortgage notes payable	$ 387,014	$ 253,463
Unsecured credit facilities	479,100	465,850
Unsecured term loan	75,000	20,000
Senior unsecured notes	449,279	150,000
Accrued expenses and other liabilities	64,472	48,384
Distributions payable	24,915	19,663
Affiliate payables	1,157	2,395
Total Liabilities	1,480,937	959,755
Commitments and other comments	---	---
Minority interests in consolidated partnerships	127,506	52,173
PARTNERS' CAPITAL		
Preferred Capital, 15,234,518 and 9,234,518 units outstanding, respectively	413,126	263,126
General Partner's Capital:		
Common units, 40,364,588 and 40,035,419 units outstanding, respectively	479,826	485,341
Class B Common Units, 11,694,567 and 0 units outstanding, respectively	300,539	---
Limited Partners' Capital, 7,701,542 and 7,764,630 units outstanding, respectively	91,440	94,125
Total Partners' Capital	1,284,931	842,592
Total Liabilities and Partners' Capital	$ 2,893,374	$ 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 June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Revenues:				
Base rents	$ 77,192	$ 55,536	$ 139,285	$ 102,571
Tenant escalations and reimbursements	8,586	7,061	17,129	13,113
Equity in earnings of real estate joint ventures	438	173	649	273
Equity in earnings of service companies	74	651	240	392
Interest income on mortgage notes and notes receivable	1,910	1,773	4,718	3,453
Other	2,646	1,073	4,932	1,527
Total Revenues	90,846	66,267	166,953	121,329
Expenses:				
Property operating expenses	15,038	12,073	27,436	21,693
Real estate taxes	12,011	9,032	22,112	17,036
Ground rents	490	432	898	845
Marketing, general and administrative	4,550	3,639	8,624	6,943
Interest	18,902	10,970	32,846	21,497
Depreciation and amortization	19,127	12,457	34,218	23,264
Total Expenses	70,118	48,603	126,134	91,278
Income before distributions to preferred unit holders and minority interests'	20,728	17,664	40,819	30,051
Preferred unit distributions	(5,989)	(4,168)	(11,031)	(4,168)
Minority partners' interest in consolidated partnerships income	(1,615)	(712)	(2,783)	(1,273)
Net income available to common unit holders	$ 13,124	$ 12,784	$ 27,005	$ 24,610
Net Income:				
General Partner - common units	$ 9,550	$ 10,022	$ 21,190	$ 19,857
General Partner - Class B Common Units	1,747	---	1,747	---
Limited Partners'	1,827	2,762	4,068	4,753
Total	$ 13,124	$ 12,784	$ 27,005	$ 24,610
Net income per common unit:				
General Partner - common units	$ 0.24	$ 0.25	$ 0.53	$ 0.51
General Partner - Class B Common Units	$ 0.36	$ ---	$ 0.71	$ ---
Limited Partners'	$ 0.24	$ 0.36	$ 0.53	$ 0.62
Weighted average common units outstanding:				
General Partner - common units	40,285,000	39,637,000	40,167,000	38,914,000
General Partner - Class B Common Units	4,883,000	---	2,455,000	---
Limited Partners'	7,705,000	7,694,000	7,708,000	7,701,000

See accompanying notes to financial statements.

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

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Cash Flows From Operating Activities:		
Net Income available to common unitholders	$ 27,005	$ 24,610
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34,218	23,264
Minority partners' interests in consolidated partnerships	2,783	1,273
Loss reserve on real estate held for sale .	4,450	---
Gain of sale of interest in Reckson Executive Centers, LLC	---	(9)
Gain on sale of securities and mortgage redemption	(4,492)	(43)
Distribution from a real estate joint venture	173	217
Equity in earnings of service companies	(240)	(392)
Equity in earnings of real estate joint ventures	(649)	(273)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(15,254)	(10,728)
Tenant receivables	2,181	913
Deferred rents receivable	(2,429)	(3,614)
Real estate tax escrow	(618)	115
Accrued expenses and other liabilities	22,232	8,573
Net cash provided by operating activities	69,360	43,906
Cash Flows from Investing Activities:		
Purchases of commercial real estate properties	(194,871)	(383,366)
Increase in real estate held for sale .	(57,095)	---
Increase in deposits and pre- acquisition costs	(1,889)	4,187
Investment in mortgage notes and notes receivable	(262,643)	20,097
Additions to commercial real estate properties	(16,389)	(9,754)
Additions to developments in progress	(8,073)	(43,330)
Payment of leasing costs	(7,377)	(3,768)
Additions to furniture, fixtures and equipment	(447)	(776)
Investments in real estate joint ventures	(6,223)	(2,970)
Proceeds from sales of property, securities and mortgage redemption	25,929	809
Net cash used in investing activities	(529,078)	(418,871)
Cash Flows from Financing Activities:		
Principal payments on secured borrowings	(1,495)	(3,118)
Proceeds from issuance of senior unsecured notes net of issuance costs	299,262	---
Payment of loan costs	(5,368)	(69)
Investments in and advances to affiliates	(41,304)	(26,205)
Proceeds from unsecured credit facilities	299,000	180,996
Principal payments on unsecured credit facilities	(230,750)	(94,000)
Contributions of minority partners' in consolidated partnerships	75,000	---
Contributions	149,300	314,315
Distributions	(42,416)	(14,498)
Distributions to minority partners' in consolidated partnerships	(2,450)	(1,311)
Net cash provided by financing activities	498,779	356,110
Net increase (decrease) in cash and cash equivalents	39,061	(18,855)
Cash and cash equivalents at beginning of period	2,228	21,676
Cash and cash equivalents at end of period	$ 41,289	$ 2,821

See accompanying notes to financial statements.

RECKSON OPERATING PARTNERSHIP, L. P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 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 and is the successor to the operations of the Reckson Group. 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 2,758,960 units in the Operating Partnership ("Units") to the continuing investors and assumed approximately $163 million (net of the Omni mortgages) of 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 June 30, 1999, the Operating Partnership owned and operated 92 office properties comprising approximately 14.9 million square feet, 130 industrial properties comprising approximately 11.1 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"). In addition, the Operating Partnership owned or had contracted to acquire approximately 1,013 acres of land (including approximately 306 acres under option) in 20 separate parcels of which the Operating Partnership can develop approximately 9.8 million square feet of industrial and office space. The Operating Partnership also has invested approximately $306.1 million in mortgage notes encumbering three Class A office properties encompassing approximately 1.6 million square feet, a 306 acre parcel 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 June 30, 1999, the Operating Partnership had advanced $46.4 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 June 30, 1999, approximately $36.9 million had been invested through the RSVP Commitment, of which $16.3 million represents RSVP controlled joint venture REIT-qualified investments and $20.6 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. As of June 30, 1999, the Operating Partnership has invested approximately $95.5 million for an approximate 72% controlling interest. In addition, at June 30, 1999, the Operating Partnership had advanced approximately $34 million to RMI to acquire an 846,000 square foot industrial property (see note 9).

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 (see Note 6) 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 which have either been sold, are under contract to sell or are being held for sale. The assets currently being held for sale have been included in real estate held for sale on the accompanying consolidated balance sheet.

Basis of Presentation

The accompanying consolidated financial statements include the consolidated financial position of the Operating Partnership and its subsidiaries at June 30, 1999 and December 31, 1998 and the results of its operations for the three and six months ended June 30, 1999 and 1998, respectively, and, its cash flows for the six months ended June 30, 1999 and 1998, respectively. The Operating Partnership's investments in Metropolitan, RMI 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 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 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 commercial real estate properties and real estate held for sale.

The minority interests at June 30, 1999 represent an approximate 28% interest in 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 generally accepted accounting principles ("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 June 30, 1999 and for the six month periods ended June 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 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", which is required to be adopted in years beginning after June 15, 1999. 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 June 30, 1999, the Operating Partnership had approximately $387 million of fixed rate mortgage notes which mature at various times between August 1999 and November 2027. The notes are secured by 25 properties and two parcels of land and have a weighted average interest rate of approximately 7.5%. In addition, as of June 30, 1999, the Operating Partnership had a construction loan payable secured by a development property held for sale in the amount of approximately $5.4 million which was satisfied during July 1999.

3. Senior Unsecured Notes

As of June 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 Credit Facility.

4. Unsecured Credit Facilities and Unsecured Term Loan

As of June 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 second 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 June 30, 1999, the Operating Partnership had availability under the Credit Facility to borrow an additional $123 million (net of $28 million of outstanding undrawn letters of credit).

As of June 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 priced off of LIBOR plus 150 basis points for the first nine months and 175 basis points for the remaining three months. At June 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.

5. Partners' Capital

On May 26, 1999 the Operating Partnership declared a distribution of $.37125 per common partnership unit payable on July 16, 1999 to its unitholders of record as of July 8, 1999. The distribution declared, which related to the three months ended June 30, 1999, is based upon an annual distribution of $1.485 per unit.

On May 26, 1999 the Operating Partnership declared a distribution on the general partner's Series A preferred units of $.4766 per unit payable on August 2, 1999. The distribution declared, which relates to the three months ended July 31, 1999 is based on an annual distribution of $1.906 per unit.

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 July 9, 1999 the Operating Partnership declared a distribution of $.4231 per Class B common partnership unit payable on August 2, 1999 to the general partner. The distribution declared, which related to the period from May 24, 1999 through July 31, 1999, is based upon an annual distribution of $2.24 per unit.

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 which allows for approximately 1.1 million square feet of future development opportunities. In addition, RMI purchased 74.6 acres of vacant land for approximately $3.7 million which allows for approximately 1,000,000 square feet of future development opportunities and an 846,000 square foot industrial property located in Cranbury, New Jersey for approximately $34 million which was advanced by the Company.

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 $4.5 million. Such gain has been included in other income on the accompanying consolidated statement 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 ultimately obtaining 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 acquisitions through June 30, 1999.

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 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 consists 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, one office property and one development property all located outside the Tri State Area for approximately $58 million. In addition, the remaining properties located outside of the Tri-State Area are under contract to sell or are being held for sale. The Company currently anticipates that it will incur certain sales and closing costs in connection with the sale of several of the assets located outside the Tri State Area. As a result, the Company has recorded a loss reserve of approximately $4.4 million which has been included in other income on the Company's consolidated statement 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 in the Tri-State Area (the "Core Portfolio"). In addition the Operating Partnership's portfolio also includes 22 industrial properties owned by RMI. The Company and RMI have 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 facilities and Term Loan, interest incurred on borrowings under the credit facilities and Term Loan is not considered as part of property operating performance. Further, the Company does not consider the property operating performance of real estate held for sale as a reportable segment.

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 June 30, 1999 and 1998 (in thousands):

	Three months ended June 30, 1999			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$ 76,943	$ 5,287	$ 3,548	$ 85,778
Equity in earnings of real estate joint ventures and service companies	--	--	512	512
Other income	144	--	4,412	4,556
Total Revenues	77,087	5,287	8,472	90,846
Expenses:				
Property expenses	25,554	816	1,169	27,539
Marketing, general and administrative	3,858	167	525	4,550
Interest	5,191	940	12,771	18,902
Depreciation and amortization	16,212	1,287	1,628	19,127
Total Expenses	50,815	3,210	16,093	70,118
Income before preferred dividends and distributions and minority interests'	$ 26,272	$ 2,077	$ (7,621)	$ 20,728
Total Assets	$2,082,784	$ 194,898	$ 615,692	$2,893,374

	Three months ended June 30, 1998			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$ 59,186	$ 3,411	$ --	$ 62,597
Equity in earnings of real estate joint ventures and service companies	--	--	824	824
Other income	189	--	2,657	2,846
Total Revenues	59,375	3,411	3,481	66,267
Expenses:				
Property expenses	20,963	574	--	21,537
Marketing, general and administrative	2,508	106	1,025	3,639
Interest	4,211	281	6,478	10,970
Depreciation and amortization	10,899	778	780	12,457
Total Expenses	38,581	1,739	8,283	48,603
Income before preferred dividends and distributions and minority interests'	$ 20,794	$ 1,672	$ (4,802)	$ 17,664
Total Assets	$1,425,924	$ 113,937	$ 84,481	$1,624,342

	Six months ended June 30, 1999			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$ 142,966	$ 9,900	$ 3,548	$ 156,414
Equity in earnings of real estate joint ventures and service companies	---	---	889	889
Other income	213	2	9,435	9,650
Total Revenues	143,179	9,902	13,872	166,953
Expenses:				
Property expenses	47,710	1,567	1,169	50,446
Marketing, general and administrative	7,800	298	526	8,624
Interest	9,751	1,217	21,878	32,846
Depreciation and amortization	28,993	2,367	2,858	34,218
Total Expenses	94,254	5,449	26,431	126,134
Income before preferred dividends and distributions and minority interests'	$ 48,925	$ 4,453	$ (12,559)	$ 40,819
Total Assets	$2,082,784	$ 194,898	$ 615,692	$2,893,374

	Six months ended June 30, 1998			
	Core Portfolio	RMI	Other	Consolidated Totals
Revenues:				
Base rents, tenant escalations and reimbursements	$ 109,048	$ 6,636	$ ---	$ 115,684
Equity in earnings of real estate joint ventures and service companies	---	---	665	665
Other income	222	---	4,758	4,980
Total Revenues	109,270	6,636	5,423	121,329
Expenses:				
Property expenses	38,458	1,116	---	39,574
Marketing, general and administrative	5,238	206	1,499	6,943
Interest	7,683	536	13,278	21,497
Depreciation and amortization	20,245	1,535	1,484	23,264
Total Expenses	71,624	3,393	16,261	91,278
Income before preferred dividends and distributions and minority interests'	$ 37,646	$ 3,243	$ (10,838)	$ 30,051
Total Assets	$1,425,924	$ 113,937	$ 84,481	$1,624,342

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

	Six Months Ended June 30,	
	1999	1998
Cash paid during the period for interest	$ 24,662	$ 17,869
Interest capitalized during the period	$ 4,440	$ 3,263

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 Event

On August 9, 1999, the Operating Partnership executed a contract for the sale of RMI and three other big box industrial properties to American Real Estate Investment Corporation ("REA"). In addition, the Operating Partnership also entered into a sale agreement with Matrix Development Group ("Matrix") relating to a first mortgage note and certain industrial land holdings. 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 REA, preferred units of REA's operating partnership, relief of debt and a purchase money mortgage note secured by certain land that is being sold to Matrix. The closing will take place in three stages which are anticipated to be completed during August 1999, December 1999, and April 2000.

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 June 30, 1999, the Operating Partnership owned and operated 92 office properties comprising approximately 14.9 million square feet, 130 industrial properties comprising approximately 11.1 million square feet and two retail properties comprising approximately 20,000 square feet, located in the Tri-State Area. In addition, the Operating Partnership owned or had contracted to acquire approximately 1,013 acres of land (including approximately 306 acres under option) in 20 separate parcels of which the Operating Partnership can develop approximately 9.8 million square feet of industrial and office space. The Operating Partnership also has invested approximately $306.1 million in mortgage notes encumbering three Class A office properties encompassing approximately 1.6 million square feet, a 306 acre parcel 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 June 30, 1999, the Operating Partnership had advanced $46.4 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 June 30, 1999, approximately $36.9 million had been invested through the RSVP Commitment, of which $16.3 million represents RSVP-controlled joint venture REIT-qualified investments and $20.6 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 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. As of June 30, 1999, the Operating Partnership has invested approximately $95.5 million for an approximate 72% controlling interest. In addition, at June 30, 1999, the Operating Partnership had advanced approximately $34 million to RMI to acquire an 846,000 square foot industrial property.

On August 9, 1999, the Operating Partnership executed a contract for the sale of RMI and three other big box industrial properties to American Real Estate Investment Corporation ("REA"). In addition, the Operating Partnership also entered into a sale agreement with Matrix Development Group ("Matrix") relating to a first mortgage note and certain industrial land holdings. 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 REA, preferred units of REA's operating partnership, relief of debt and a purchase money mortgage note secured by certain land that is being sold to Matrix. The closing will take place in three stages which are anticipated to be completed during August 1999, December 1999, and April 2000.

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 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 consists 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, one office property and one development property all located outside the Tri State Area for approximately $58 million. In addition, the remaining properties located outside of the Tri-State Area are under contract to sell or are being held for sale. The Company currently anticipates that it will incur certain sales and closing costs in connection with the sale of several of the assets located outside the Tri State Area. As a result, the Company has recorded a loss reserve of approximately $4.4 million which has been included in other income on the Company's consolidated statement of income.

The market capitalization of the Operating Partnership at June 30, 1999 was approximately $3.2 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 stated values of the Operating Partnership's preferred units and the $1.4 billion (including its share of joint venture debt and net of minority partners' interest) of debt outstanding at June 30, 1999. As a result, the Operating Partnership's total debt to total market capitalization ratio at June 30, 1999 equaled approximately 42.7%.

Result of Operations

The Operating Partnership's total revenues increased by $24.6 million or 37.1% for the three months ended June 30, 1999 as compared to the 1998 period.

The growth in total revenues is substantially attributable to the Operating Partnership's acquisition of 42 properties comprising approximately 8.0 million square feet and the development of three properties comprising approximately 412,000 square feet. Property operating revenues, which include base rents and tenant escalations and reimbursements ("Property Operating Revenues") increased by $23.2 million or 37% for the three months ended June 30, 1999 as compared to the 1998 period. The 1999 increase in Property Operating Revenues is comprised of approximately $2.4 million attributable to increases in rental rates and changes in occupancies and approximately $20.8 million attributable to the acquisitions and development of properties. The remaining balance of the increase in total revenues in 1999 is primarily attributable to interest income on the Operating Partnership's investments in mortgage notes and notes receivable. The Operating Partnership's base rent was increased by the impact of the straight-line rent adjustment by $3.2 million for the three months ended June 30, 1999 as compared to $2.1 million for the 1998 period.

Property operating expenses, real estate taxes and ground rents ("Property Expenses") increased by $6 million or 27.9% for the three months ended June 30, 1999 as compared to the 1998 period. These increases are primarily due to the acquisition of properties. Gross operating margins (defined as Property Operating Revenues less Property Expenses, taken as a percentage of Property Operating Revenues) for the three months ended June 30, 1999 and 1998 were 67.9% and 65.6% respectively. The increase in gross operating margins reflects increases realized in rental rates and the Operating Partnership's ability to realize certain operating efficiencies as a result of operating a larger portfolio of properties with concentrations of properties in office and industrial parks or in its established sub-markets.

Marketing, general and administrative expenses increased by $911,000 for the three months ended June 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 Operating Partnership including the opening of its New York City division. Marketing, general and administrative expenses as a percentage of total revenues were 5.01% for the three months ended June 30, 1999 as compared to 5.49% for the 1998 period.

Interest expense increased by $7.9 million for the three months ended June 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 in conjunction with the Tower acquisition. The weighted average balance outstanding on the Company's credit facilities and Term Loan was $352.1 million for the three months ended June 30, 1999 as compared to $306.9 million for the 1998 period.

The Operating Partnership's total revenues increased by $45.6 million or 37.6% for the six months ended June 30 1999 as compared to the 1998 period. The growth in total revenues is substantially attributable to the Operating Partnership's acquisition of 70 properties comprising approximately 12.4 million square feet. Property Operating Revenues increased by $40.7 million or 35.2% for the six months ended June 30, 1999. As compared to the 1998 period. The 1999 increase in Property Operating Revenues is comprised of $5.5 million attributable to increases in rental rates and changes in occupancies and $35.2 million attributable to acquisitions and development of properties. The remaining balance of the increase in total revenues in 1999 is primarily attributable to interest income on the Operating Partnership's investments in mortgage notes and notes receivable. The Operating Partnership's base rent was increased by the impact of the straight-line rent adjustment by $4.6 million for the six months ended June 30 1999 as compared to $3.6 million for the 1998 period.

Property Expenses increased by $10.9 million for the six months ended June 30, 1999 as compared to the 1998 period. These increases are primarily due to the acquisition of properties. Gross operating margins for the six months ended June 30, 1999 and 1998 were 67.8% and 65.8%, respectively. The increase in gross operating margins reflects increases realized in rental rates and the Operating Partnership's ability to realize certain operating efficiencies as a result of operating a larger portfolio of properties with concentration of properties in office and industrial parks or in its established sub-markets.

Marketing, general and administrative increased by $1.7 million for the six months ended June 30, 1999 as comparable 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 5.17% for the six months ended June 30, 1999 as compared to 5.72% for the 1999 period.

Interest expense increased by $11.3 million for the six months ended June 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 in conjunction with the Tower acquisition. The weighted average balance outstanding on the Operating Partnership's credit facilities was $429 million for the six months ended June 30, 1999 as compared to $311.5 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 June 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 second 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 June 30, 1999, the Operating Partnership had availability under the Credit Facility to borrow an additional $123 million (net of $28 million of outstanding undrawn letters of credit).

As of June 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 priced off of LIBOR plus 150 basis points for the first nine months and 175 basis points for the remaining three months. At June 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.

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.

The Operating Partnership's indebtedness at June 30, 1999 totaled $1.4 billion (including its share of joint venture debt and net of the minority partners' interests) and was comprised of $473.3 million outstanding under the credit facilities (of which $125 million has been subsequently refinanced with a long term fixed rate secured borrowing), $75 million outstanding under the Term Loan, $449.3 million of senior unsecured notes and approximately $366.3 million of mortgage indebtedness. Based on the Operating Partnership's total market capitalization of approximately $3.2 billion at June 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 42.7% 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 Partnerhips's office and industrial properties for the six month period ended June 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 Tenant Improvements and Leasing Commissions

	1995	1996	1997	1998	1995 -1998 Average	Six Months Ended June 30, 1999
Long Island Office Properties						
Tenant Improvements	$452,057	$523,574	$784,044	$1,140,251	$724,982	$141,292
Per Square Foot Improved	4.44	4.28	7.00	3.98	4.92	2.33
Leasing Commissions	$144,925	$119,047	$415,822	$418,191	$274,496	$90,216
Per Square Foot Leased	1.42	0.97	4.83	1.46	2.17	1.18
Total Per Square Foot	$5.86	$5.25	$11.83	$5.44	$7.09	$3.51
Westchester Office Properties						
Tenant Improvements	N/A	$834,764	$1,211,665	$711,160	$961,413	$376,574
Per Square Foot Improved	N/A	6.33	8.90	4.45	6.67	4.12
Leasing Commissions	N/A	$264,388	$366,257	$286,150	$326,204	$165,254
Per Square Foot Leased	N/A	2.00	2.69	1.79	2.24	1.81
Total Per Square Foot	N/A	$8.33	$11.59	$6.24	$8.91	$5.93
Connecticut Office Properties						
Tenant Improvements	N/A	$58,000	$1,022,421	$202,880	$570,356	$45,445
Per Square Foot Improved	N/A	12.45	13.39	5.92	9.66	6.47
Leasing Commissions	N/A	$0.00	$256,615	$151,063	$181,190	$14,550
Per Square Foot Leased	N/A	0.00	3.36	4.41	3.89	2.07
Total Per Square Foot	N/A	$12.45	$16.75	$10.33	$13.55	$8.54
New Jersey Office Properties						
Tenant Improvements	N/A	N/A	N/A	$654,877	$654,877	$119,323
Per Square Foot Improved	N/A	N/A	N/A	3.78	3.78	2.20
Leasing Commissions	N/A	N/A	N/A	$396,127	$396,127	$193,570
Per Square Foot Leased	N/A	N/A	N/A	2.08	2.08	3.18
Total Per Square Foot	N/A	N/A	N/A	$5.86	$5.86	$5.38
Industrial Properties						
Tenant Improvements	$210,496	$380,334	$230,466	$283,842	$276,285	$150,222
Per Square Foot Improved	0.90	0.72	0.55	0.76	0.73	0.15
Leasing Commissions	$107,351	$436,213	$81,013	$200,154	$206,183	$681,474
Per Square Foot Leased	0.46	0.82	0.19	0.44	0.48	0.67
Total Per Square Foot	$1.36	$1.54	$0.75	$1.20	$1.21	$0.82

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 June 30, 1999:

Long Island Office Properties (excluding Omni):

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	19	79,657	2.7%	$21.31	$21.54
2000	45	268,683	9.1%	$21.71	$23.29
2001	40	187,022	6.3%	$22.15	$24.02
2002	33	255,550	8.6%	$22.30	$23.71
2003	52	342,577	11.6%	$21.81	$23.10
2004	38	246,753	8.4%	$22.69	$25.17
2005 and thereafter	89	1,576,056	53.3%	---	---
Total	316	2,956,298	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	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	---	---	---	---	---
2000	4	60,316	10.2%	$31.71	$36.63
2001	4	32,680	5.6%	$27.36	$33.63
2002	4	129,351	22.0%	$24.78	$27.14
2003	5	72,530	12.3%	$29.56	$29.71
2004	4	112,414	19.1%	$25.98	$33.12
2005 and thereafter	8	181,502	30.8%	---	---
Total	29	588,793	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.

Industrial Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	22	296,298	5.2%	$5.12	$5.68
2000	30	1,105,940	19.3%	$4.84	$5.19
2001	28	676,925	11.8%	$5.70	$7.16
2002	26	207,544	3.6%	$6.42	$7.09
2003	30	724,434	12.7%	$5.26	$6.06
2004	24	509,372	8.9%	$6.59	$7.15
2005 and thereafter	42	2,207,616	38.5%	---	---
Total	202	5,728,129	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.

Research and Development Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	4	26,891	2.1%	$8.68	$9.44
2000	7	111,040	8.7%	$8.20	$8.58
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	$5.25
2004	6	105,303	8.3%	$11.93	$13.20
2005 and thereafter	11	540,277	42.5%	---	---
Total	43	1,272,640	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.

Westchester Office Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	21	77,887	2.8%	$19.74	$20.18
2000	53	502,045	18.1%	$22.63	$22.86
2001	46	334,819	12.1%	$21.83	$21.89
2002	46	441,072	15.9%	$20.16	$20.40
2003	35	245,108	8.8%	$21.80	$22.94
2004	19	106,700	3.9%	$20.10	$20.34
2005 and thereafter	34	1,063,628	38.4%	---	---
Total	254	2,771,259	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	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	10	24,916	2.4%	$23.61	$23.78
2000	26	114,054	11.0%	$22.16	$22.54
2001	23	102,583	9.9%	$24.10	$25.18
2002	15	89,774	8.7%	$27.32	$28.51
2003	16	99,052	9.6%	$31.71	$32.46
2004	15	201,091	19.4%	$20.77	$21.29
2005 and thereafter	25	403,160	39.0%	---	---
Total	130	1,034,630	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	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	5	41,540	2.5%	$20.06	$20.28
2000	34	329,989	19.7%	$22.66	$22.83
2001	21	260,195	15.5%	$18.09	$18.10
2002	20	166,699	10.0%	$19.96	$20.06
2003	18	327,593	19.6%	$18.09	$18.14
2004	25	200,994	12.0%	$21.98	$21.94
2005 and thereafter	17	346,494	20.7%	---	---
Total	140	1,673,504	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 York Office Properties:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	8	34,158	1.3%	$34.19	$35.37
2000	19	946,214	34.9%	$32.61	$32.72
2001	19	136,453	5.0%	$36.25	$36.38
2002	16	194,873	7.2%	$32.20	$33.92
2003	7	93,752	3.4%	$31.34	$31.75
2004	8	107,589	4.0%	$34.48	$34.59
2005 and thereafter	68	1,197,158	44.2%	---	---
Total	145	2,710,197	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.

Reckson / Morris Industrial:

Year of Lease Expiration	Number of Leases	Total Rentable Square Feet Expiring	Percent of Total Rentable Square Feet Expiring	Per Square Foot S/L Rent	Per Square Foot Rent
1999	7	387,686	12.7%	$3.95	$3.98
2000	6	173,768	5.7%	$5.14	$5.31
2001	1	243,751	8.0%	$7.50	$7.69
2002	1	610,949	20.0%	$3.75	$3.96
2003	3	113,916	3.8%	$4.53	$4.72
2004	5	308,057	10.1%	$4.52	$4.87
2005 and thereafter	8	1,211,594	39.7%	---	---
Total	31	3,049,721	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.

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 June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Net Income	$ 13,124	$ 12,784	$ 27,005	$ 24,610
Adjustment for Funds From Operations:				
Add:				
Real Estate Depreciation and Amortization	18,406	12,181	33,094	22,787
Minority interests in consolidated partnerships	1,615	712	2,783	1,273
Less:				
Amount distributed to minority partners in consolidated partnerships	1,980	1,001	3,448	1,799
Funds From Operations	$ 31,165	$ 24,676	$ 59,434	$ 46,871

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, principal cash flows by scheduled maturity, weighted average interest rates and estimated fair market value ("FMV") at June 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	$ 8,904	$ 32,487	$ 19,825	$ 15,002	$ 19,742	$ 735,681	$ 831,641	$ 831,641
Average interest rate	8.85%	7.38%	7.43%	7.80%	7.65%	7.49%	7.51%	
Variable rate	$ 205,000	$ 5,373	$ 349,100	$ ---	$ ---	$ ---	$ 559,473	$ 559,473
Average interest rate	6.93%	7.75%	5.93%	---	---	---	6.39%	

Includes unamortized issuance discounts of $721,000 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 5.6 million annual increase in interest expense based on approximately $559.4 million outstanding at June 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 June 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	$ 5,038	$ 277,548	$ ---	$ 6,785	$ ---	$ 50,990	$ 340,361	$ 340,361
Average interest rate	10%	9.41%	---	10.65%	---	10.69%	9.63%	

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

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 share 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 share and 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 March 16 , 1999, the Operating Partnership's Registration Statement on Form S-3 (File No. 333-67129) was declared effective by the Securities and Exchange Commission. On March 23, 1999, the Operating Partnership offered $100 million of its 7.40% Notes due March 15, 2004 and $200 million of its 7.75% Notes due March 15 2009 in an underwritten public offering in which Goldman, Sachs & Co. acted as the managing underwriter. The public offering price of the Notes aggregated approximately $299.3 million and the underwriting discount aggregated $1.9 million. Net proceeds to the Operating Partnership aggregated approximately $297.4 million and were used to repay borrowings under the Operating Partnership's Credit Facility.

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Securities Holders - None

Item 5. Other information - None

Item 6. Exhibits and Reports on Form 8-K

a) Exhibit 27 Financial Data Schedule

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

On May 11, 1999, the Operating Partnership filed Form 8-K announcing that the Operating Partnership had entered into an agreement to acquire the first mortgage note secured by 919 Third Avenue located in New York City.

On June 7, 1999, the Operating Partnership filed Form 8-K announcing that on May 24, 1999 (i) the stockholders of Tower Realty Trust, Inc. approved the merger of the two companies, (ii) Metropolitan Operating Partnership, L. P. entered into a $130 million unsecured credit agreement, (iii) that on May 26, 1999, the Company announced Scott Rechler had been named Co-Chief Executive Officer and President along with other appointments, (iv) that the Operating Partnership had increased its distribution on its common units to an annualized distribution rate of $1.485 per unit and (v) that on June 2, 1999, the Company issued six million shares of Preferred Stock for aggregate proceeds of $150 million.

On June 25, 1999, the Operating Partnership filed Form 8-K announcing that it had closed on the acquisition of the first mortgage note secured by 919 Third Avenue located in New York City.

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

August 11, 1999 /s/ Scott H. Rechler
Date Scott H. Rechler, Co-Chief Executive Officer

and President

August 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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