

FORM 8-K

CURRENT REPORT

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Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: November 7, 2001

RECKSON ASSOCIATES REALTY CORP.  
and  
RECKSON OPERATING PARTNERSHIP, L.P.  
(Exact name of each Registrant as specified in its Charter)

Reckson Associates Realty Corp. - Maryland  
Reckson Operating Partnership, L.P. - Delaware  
(State or other jurisdiction of incorporation or organization)

225 Broadhollow Road  
Melville, New York  
(Address of principal executive offices)

Reckson Associates Realty Corp. -  
11-3233650  
Reckson Operating Partnership, L.P. -  
11-3233647  
(IRS Employer ID Number)  
11747  
(Zip Code)

1-13762  
(Commission File Number)

(631) 694-6900  
(Registrant's telephone number, including area code)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Supplemental Operating and Financial Data for the Quarter  
Ended September 30, 2001

ITEM 9. REGULATION FD DISCLOSURE

For the quarter ended September 30, 2001, Registrants intend to make available supplemental data regarding their operations that is too voluminous for a press release. Registrants are attaching the supplemental data as Exhibit 99.1 to this Current Report on Form 8-K.

Note: the information in this report (including the exhibit) is furnished pursuant to Item 9 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

SIGNATURES

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

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo

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Michael Maturo  
Executive Vice President  
and Chief Financial Officer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,  
its General Partner

By: /s/ Michael Maturo

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Michael Maturo  
Executive Vice President  
and Chief Financial Officer

Date: November 7, 2001

RECKSON ASSOCIATES REALTY CORP.

THIRD QUARTER 2001  
SUPPLEMENTAL OPERATING AND FINANCIAL DATA

NOVEMBER 7, 2001

[PICTURE OMITTED]

225 BROADHOLLOW ROAD, MELVILLE, NY 11747  
PHONE: 631.694.6900 1.888.RECKSON FAX: 631.622.6790  
WWW.RECKSON.COM

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Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which our principal tenants compete; changes in the supply of and demand for office and industrial properties in the New York Tri-State area; changes in interest rate levels; downturns in rental rate levels in our markets and our ability to lease or re-lease space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; changes in operating costs, including utility costs; repayment of debt owed to the Company by third parties (including FrontLine Capital Group); risks associated with joint ventures; and other risks associated with the development and acquisition of properties, including risks that development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated. For further information on factors that could impact Reckson, reference is made to Reckson's filings with the Securities and Exchange Commission. Reckson is subject to the reporting requirements of the Securities and Exchange Commission and undertakes no responsibility to update or supplement information contained in this supplemental package that subsequently becomes untrue.

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CORPORATE INFORMATION

CORPORATE PROFILE

Reckson Associates Realty Corp. is a self-administered and self-managed real estate investment trust (REIT) that is one of the largest publicly traded owners, developers and managers of Class A office and industrial properties in the New York Tri-State area.

Through a predecessor entity, Reckson commenced operations in 1958 and grew steadily by acquiring, developing and redeveloping Class A office and industrial properties throughout Long Island. In June 1995, Reckson successfully completed its initial public offering. Subsequently, the Company expanded from its Long Island base and established operating divisions in Westchester, Connecticut, New Jersey and New York City. By transporting the formula that built its success on Long Island to the other Tri-State area markets, Reckson is now positioned as the premier real estate franchise in the New York Tri-State area.

Today, Reckson owns 182 properties comprised of approximately 20.6 million square feet located throughout the New York Tri-State area markets. These properties are comprised of 13.8 million square feet of office space and 6.8 million square feet of industrial space. The Company has a total market capitalization in excess of \$3.4 billion and has generated a total return to its initial Class A common shareholders of approximately 195% for the period June 2, 1995 through September 30, 2001.

Reckson is a fully integrated real estate operating company specializing in the acquisition, leasing, financing, property and asset management, design and development and construction of Class A office and industrial properties in the New York Tri-State area.

CORPORATE HEADQUARTERS

225 Broadhollow Road  
Melville, New York 11747-4883  
Telephone: (631) 694-6900  
(888) RECKSON  
Facsimile: (631) 622-6790  
Web site: www.reckson.com  
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EXECUTIVE OFFICER CONTACTS

Donald Rechler Co-Chief Executive Officer  
Chairman of the Board  
  
Scott Rechler Co-Chief Executive Officer  
  
Michael Maturo Chief Financial Officer  
Executive Vice President

INVESTOR RELATIONS

Susan McGuire Vice President Investor Relations  
Telephone: (631) 622-6642  
Facsimile: (631) 622-6790  
E-mail: smcguire@reckson.com  
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To request an Investor Relations package or be added to our distribution list, please contact us at:

Telephone: (631) 622-6746  
Facsimile: (631) 622-6790  
E-mail: investorrelations@reckson.com  
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Web site: www.reckson.com (Go to Information Request in the Investor Relations section)

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CORPORATE INFORMATION

RESEARCH COVERAGE

CIBC World Markets Anthony Paolone (212) 667-8116	Legg Mason David Fick/Ken Weinberg (410) 454-5018/(410) 454-5175
Credit Suisse First Boston Lawrence Raiman (212) 538-2380	Lehman Brothers David Shulman/Stuart Axelrod (646) 351-4260/(646) 351-4261
Deutsche Banc Alex. Brown Louis Taylor (212) 469-4912	McDonald & Company Anatole Pevnev (216) 263-4783
Goldman Sachs David Kostin/James Kammert (212) 902-6781/(212) 855-0670	Merrill Lynch Steve Sakwa/Rahul Bhattacharjee (212) 670-2158/(212) 449-1920
Greenstreet Advisors John Lutzius (949) 640-8780	Salomon Smith Barney Jonathan Litt/Gary Boston (212) 816-0231/(212) 816-1383

QUARTERLY REPORTING SCHEDULE

Quarterly results will be announced according to the following anticipated schedule:

First Quarter	Early May
Second Quarter	Early August
Third Quarter	Early November
Fourth Quarter and Year-End	Late February

SENIOR UNSECURED DEBT RATINGS

Moody's	Baa3
Standard & Poor's	BBB-

STOCK LISTING

The stock of Reckson Associates Realty Corp. is traded primarily on the New York Stock Exchange under the following symbols:

Class A Common Stock: RA  
Class B Common Stock: RA.B  
Series A Preferred Stock: RA.A

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REPORTING PERIOD HIGHLIGHTS

- o Reported diluted FFO of \$.66 per share for the third quarter of 2001, as compared to \$.65 per share for the comparable 2000 period, representing a per share increase of 1.5%. Adjusting prior year FFO per share to exclude interest income relating to the FrontLine Capital Group loans, FFO attributable to core operations was \$.59 per share, representing a per share increase of 11.9%.
- o Reported diluted FFO of \$2.04 per share for the nine months ended September 30, 2001, as compared to \$1.92 per share for the comparable 2000 period, representing a per share increase of 6.3%. Adjusting prior year FFO per share to exclude interest income relating to the FrontLine Capital Group loans, FFO attributable to core operations was \$1.75 per share, representing a per share increase of 16.6%.
- o Generated same property NOI increases of 10.5% (cash) and 5.2% (GAAP) for the third quarter of 2001.
- o Generated same space rent growth of 21.7% (GAAP) and 15.4% (cash) for Office and 18.3% (GAAP) and 2.0% (cash) for Industrial/R&D for the third quarter of 2001.
- o Sold convertible preferred securities in Keystone Property Trust for \$35.7 million.
- o Completed dispositions of three non-core office assets totaling approximately \$53 million, bringing the aggregate proceeds from property dispositions in the capital recycling program to approximately \$85 million.
- o Expect to close on the sale of a 49% interest in 919 Third Avenue to New York State Teachers' Retirement System (NYSTRS) within 30 days.
- o Converted Crescent's \$85 million preferred equity investment in Metropolitan into approximately 3.5 million shares of Reckson Class A common stock, which were then successfully placed with major institutional holders.
- o Established a valuation reserve of \$163 million against the investment in the FrontLine loans and joint ventures with RSVP.

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 STOCK PERFORMANCE

The following summarizes recent activity of Reckson's Class A common stock (RA):

	2nd Quarter 2001	3rd Quarter 2001	10/01/01 to 10/31/2001
High Price*	\$ 23.90	\$ 24.15	\$ 24.46
Low Price*	\$ 21.14	\$ 21.90	\$ 22.79
Closing Price*	\$ 23.00	\$ 24.15	\$ 23.00
Average daily trading volume*	265,162	356,224	361,091
Indicated dividend per share**	\$ 1.6984	\$ 1.6984	\$ 1.6984
Closing dividend yield	7.38%	7.03%	7.38%
Closing shares and units outstanding (thousands)	57,264	57,445	57,515
Closing market value of shares and units outstanding (thousands)	\$1,317,072	\$1,387,297	\$1,322,845

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 The following summarizes recent activity of Reckson's Class B common stock (RA.B):

	2nd Quarter 2001	3rd Quarter 2001	10/01/01 to 10/31/2001
High Price*	\$ 25.00	\$ 25.60	\$ 25.76
Low Price*	\$ 22.40	\$ 23.29	\$ 23.95
Closing Price*	\$ 24.61	\$ 25.51	\$ 24.13
Average daily trading volume*	74,622	65,825	73,048
Indicated dividend per share**	\$ 2.5968	\$ 2.5968	\$ 2.5968
Closing dividend yield	10.55%	10.18%	10.76%
Closing shares outstanding (thousands)	10,284	10,284	10,284
Closing market value of shares outstanding (thousands)	\$253,089	\$262,345	\$248,153

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 The following summarizes recent activity of Reckson's Series A preferred stock (RA.A):

	2nd Quarter 2001	3rd Quarter 2001	10/01/01 to 10/31/2001
High Price*	\$ 23.15	\$ 23.10	\$ 23.29
Low Price*	\$ 20.80	\$ 21.95	\$ 22.60
Closing Price*	\$ 23.15	\$ 23.00	\$ 22.60
Average daily trading volume*	37,638	41,439	47,270
Indicated dividend per share**	\$ 1.9064	\$ 1.9064	\$ 1.9064
Closing dividend yield	8.23%	8.29%	8.44%
Closing shares outstanding (thousands)	9,192	9,192	9,192
Closing market value of shares outstanding (thousands)	\$212,795	\$211,416	\$207,739

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 \* New York Stock Exchange trades only

\*\* On an annual basis



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**KEY FINANCIAL DATA**  
(Dollars in thousands, except per share data)

FOR THE THREE MONTHS ENDED OR AS OF

	9/30/01	6/30/01	3/31/01	12/31/00	9/30/00
<b>SHARES AND UNITS</b>					
Common Shares Outstanding - Class A	49,806,885	49,619,419	45,812,864	45,352,286	45,290,722
Common Shares Outstanding - Class B	10,283,513	10,283,513	10,283,513	10,283,513	10,283,513
Operating Partnership Units Outstanding	7,638,043	7,644,135	7,692,142	7,694,642	7,695,142
<b>Total Shares and Operating Partnership Units</b>	<b>67,728,441</b>	<b>67,547,067</b>	<b>63,788,519</b>	<b>63,330,441</b>	<b>63,269,377</b>

**SHARE PRICE & DIVIDENDS - CLASS A**

End of period	\$ 24.15	\$ 23.00	\$ 22.30	\$ 25.06	\$ 25.50
High during period	\$ 24.15	\$ 23.90	\$ 25.88	\$ 26.00	\$ 26.81
Low during period	\$ 21.90	\$ 21.14	\$ 21.90	\$ 21.88	\$ 23.63
Dividend declared	\$ 0.42	\$ 0.42	\$ 0.39	\$ 0.39	\$ 0.39
Closing dividend yield	7.0%	7.4%	6.9%	6.2%	6.1%

**SHARE PRICE & DIVIDENDS - CLASS B**

End of period	\$ 25.51	\$ 24.61	\$ 23.55	\$ 27.19	\$ 26.75
High during period	\$ 25.60	\$ 25.00	\$ 27.50	\$ 27.56	\$ 27.56
Low during period	\$ 23.29	\$ 22.40	\$ 22.90	\$ 22.50	\$ 24.63
Dividend declared	\$ 0.65	\$ 0.65	\$ 0.60	\$ 0.60	\$ 0.60
Closing dividend yield	10.2%	10.6%	10.2%	8.8%	9.0%

**MARKET CAPITALIZATION**

Market Value of Common Equity (a)	\$ 1,649,627	\$ 1,570,139	\$ 1,435,338	\$ 1,609,072	\$ 1,626,224
Stated Value of Preferred Equity	310,765	314,533	407,318	407,318	407,318
Total Debt (b)	1,444,473	1,500,081	1,466,965	1,380,814	1,328,629
<b>Total Market Capitalization</b>	<b>\$ 3,404,865</b>	<b>\$ 3,384,753</b>	<b>\$ 3,309,621</b>	<b>\$ 3,397,204</b>	<b>\$ 3,362,171</b>
<b>Total Debt / Total Market Capitalization</b>	<b>42.4%</b>	<b>44.3%</b>	<b>44.3%</b>	<b>40.6%</b>	<b>39.5%</b>

**SELECTED BALANCE SHEET DATA**

Book Value of Real Estate Assets before Depreciation	\$ 2,814,024	\$ 2,860,491	\$ 2,811,894	\$ 2,770,607	\$ 2,434,633
Total Assets	\$ 2,861,651	\$ 3,112,242	\$ 3,063,644	\$ 2,998,030	\$ 2,944,120
Total Liabilities	\$ 1,566,012	\$ 1,639,095	\$ 1,584,621	\$ 1,519,150	\$ 1,456,717

**SELECTED OPERATING DATA**

Property Operating Revenues	\$ 126,722	\$ 125,349	\$ 123,439	\$ 119,994	\$ 115,754
Property Operating Expenses	\$ 44,231	\$ 40,874	\$ 40,994	\$ 41,270	\$ 41,255
Property Operating NOI	\$ 82,491	\$ 84,475	\$ 82,445	\$ 78,724	\$ 74,499
Property Gross Operating Margin	65.1%	67.4%	66.8%	65.6%	64.4%
Other Revenues (excluding gain on sales of real estate)	\$ 5,333	\$ 7,038	\$ 7,447	\$ 9,728	\$ 9,342
Marketing, General & Administrative Expenses	\$ 7,679	\$ 8,411	\$ 7,497	\$ 7,626	\$ 6,930
as a percent of Total Revenues (excluding gain on sales of real estate)	5.8%	6.4%	5.7%	5.9%	5.5%
Interest Expense	\$ 23,510	\$ 23,562	\$ 23,631	\$ 23,670	\$ 24,651
Capitalized Interest	\$ 2,627	\$ 2,884	\$ 2,703	\$ 3,015	\$ 3,274
Non-Incremental Capital Expenditures to NOI as a percent	6.18%	6.78%	3.98%	4.09%	7.13%

**FINANCIAL RATIOS**

Debt Service Coverage Ratio	3.27	3.35	3.29	3.22	3.06
Fixed Charge Coverage Ratio	2.60	2.67	2.60	2.55	2.45

**EPS, FFO AND CAD**

<b>Class A Common Stock</b>					
Basic Income from Operations per share (d)	\$ 0.29	\$ 0.32	\$ 0.34	\$ 0.33	\$ 0.29
Diluted Income from Operations per share (d)	\$ 0.28	\$ 0.32	\$ 0.33	\$ 0.32	\$ 0.29
Basic Net Income (loss) per share	\$ (1.97)	\$ 0.32	\$ 0.34	\$ 0.28	\$ 0.49
Diluted Net Income (loss) per share	\$ (1.97)	\$ 0.32	\$ 0.33	\$ 0.28	\$ 0.48
<b>Class B Common Stock</b>					
Basic Income from Operations per share	\$ 0.44	\$ 0.45	\$ 0.52	\$ 0.51	\$ 0.45
Diluted Income from Operations per share	\$ 0.31	\$ 0.34	\$ 0.37	\$ 0.36	\$ 0.32
Basic Net Income (loss) per share	\$ (3.01)	\$ 0.45	\$ 0.52	\$ 0.44	\$ 0.76
Diluted Net Income (loss) per share	\$ (3.01)	\$ 0.34	\$ 0.37	\$ 0.31	\$ 0.53
Diluted FFO per Share	\$ 0.66	\$ 0.70	\$ 0.69	\$ 0.67	\$ 0.65
Diluted FFO payout ratio	68.7%	64.9%	60.2%	62.1%	63.7%
Diluted CAD per Share	\$ 0.46	\$ 0.48	\$ 0.50	\$ 0.43	\$ 0.41
Diluted CAD payout ratio	99.3%	95.4%	84.0%	97.0%	103.2%

TRI-STATE PORTFOLIO STATISTICS

Office Properties	78	82	82	82	81
Office Square Footage	13,863,565	14,438,850	14,444,838	14,437,238	14,163,377
Office Occupancy at end of Quarter (c)	96.7%	97.0%	97.1%	97.2%	97.0%
Industrial Properties	103	104	104	104	103
Industrial Square Footage	6,812,158	6,836,803	6,834,113	6,834,113	6,628,113
Industrial Occupancy at end of Quarter (c)	97.5%	97.9%	97.8%	97.5%	98.0%

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- (a) Includes Operating Partnership Units valued at the closing price of the Class A common stock
  - (b) Includes pro rata share of consolidated and unconsolidated joint venture debt
  - (c) Excludes properties under development
  - (d) Before, when applicable, gain on sales of real estate, extraordinary loss and valuation reserves on investment in affiliate loans and joint ventures
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STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

REVENUES	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Base Rents	\$ 111,394	\$ 100,854	\$ 330,072	\$ 291,353
Tenant escalations and reimbursements	15,328	14,900	45,438	40,730
Equity in earnings of service companies and real estate joint ventures	505	706	1,704	3,893
Interest income on mortgage notes and notes receivable	1,584	1,901	4,651	6,377
Investment and other income	3,244	6,735	13,463	19,194
<b>Total Operating Revenues</b>	<b>132,055</b>	<b>125,096</b>	<b>395,328</b>	<b>361,547</b>
<b>EXPENSES</b>				
Property operating expenses	26,358	24,751	73,581	67,051
Real estate taxes	17,873	16,504	52,518	48,727
Marketing, general and administrative	7,679	6,930	23,587	20,151
Depreciation and amortization	26,528	24,083	77,221	67,520
Interest expense	23,510	24,651	70,703	72,667
<b>Total Expenses</b>	<b>101,948</b>	<b>96,919</b>	<b>297,610</b>	<b>276,116</b>
Income from operations before minority interests	30,107	28,177	97,718	85,431
Minority partners' interests in consolidated partnerships	(3,065)	(1,874)	(12,885)	(5,773)
Limited partners' minority interest in the operating partnership	(2,306)	(2,351)	(7,637)	(6,920)
Distributions to preferred unitholders	(509)	(660)	(1,630)	(1,981)
Income from operations before gain on sales of real estate, extraordinary loss and valuation reserves on investments in affiliate loans and joint ventures, net of limited partners' minority interest	24,227	23,292	75,566	70,757
Valuation reserves on investments in affiliate loans and joint ventures	(145,935)	--	(145,935)	--
Gain on sales of real estate	870	13,507	870	19,377
Extraordinary loss on extinguishment of debt	(2,595)	(1,396)	(2,595)	(1,396)
Income (loss) before dividends to preferred shareholders	(123,433)	35,403	(72,094)	88,738
Dividends to preferred shareholders	(5,487)	(5,425)	(16,379)	(19,946)
<b>Net income (loss) available to common shareholders</b>	<b>\$(128,920)</b>	<b>\$ 29,978</b>	<b>\$ (88,473)</b>	<b>\$ 68,792</b>
<b>Net income (loss) available to:</b>				
Class A Shareholders	\$ (97,944)	\$ 22,143	\$ (67,526)	\$ 50,244
Class B Shareholders	\$ (30,976)	\$ 7,835	\$ (20,947)	\$ 18,548
<b>PER SHARE DATA</b>				
Basic income from operations before gain on sales of real estate, extraordinary loss and valuation reserves on investments in affiliate loans and joint ventures:				
Class A common stock	\$0.29	\$ 0.29	\$ 0.94	\$ 0.98
Class B common stock	\$0.44	\$ 0.45	\$ 1.41	\$ 1.50
Diluted income from operations before gain on sales of real estate, extraordinary loss and valuation reserves on investments in affiliate loans and joint ventures:				
Class A common stock	\$0.28	\$ 0.29	\$ 0.93	\$ 0.97
Class B common stock	\$0.31	\$ 0.32	\$ 1.01	\$ 1.06
Basic net income (loss):				
Class A common stock before extraordinary loss	\$ (1.93)	\$ 0.51	\$ (1.38)	\$ 1.21
Extraordinary loss per Class A common share	\$ (0.04)	\$ (0.02)	\$ (0.04)	\$ (0.02)
<b>Basic net income (loss) per Class A common share</b>	<b>\$ (1.97)</b>	<b>\$ 0.49</b>	<b>\$ (1.42)</b>	<b>\$ 1.19</b>
Class B common stock before extraordinary loss				
Extraordinary loss per Class B common share	\$ (2.95)	\$ 0.80	\$ (1.98)	\$ 1.84
	\$ (0.06)	\$ (0.04)	\$ (0.06)	\$ (0.04)
<b>Basic net income (loss) per Class B common share</b>	<b>\$ (3.01)</b>	<b>\$ 0.76</b>	<b>\$ (2.04)</b>	<b>\$ 1.80</b>
Diluted net income (loss):				
Class A common stock	\$ (1.97)	\$ 0.48	\$ (1.42)	\$ 1.18
Class B common stock	\$ (3.01)	\$ 0.53	\$ (2.04)	\$ 1.28
Basic weighted average common shares outstanding:				
Class A common stock	49,715	45,178	47,489	42,312
Class B common stock	10,284	10,284	10,284	10,284
Diluted weighted average common shares outstanding:				
Class A common stock	49,715	49,818	47,489	42,736
Class B common stock	10,284	10,284	10,284	10,284



FUNDS FROM OPERATIONS ("FFO") AND CASH AVAILABLE FOR DISTRIBUTION ("CAD")  
(in thousands, except per share / unit data)

	Three Months Ended September 30,	
	2001	2000
<b>FUNDS FROM OPERATIONS</b>		
Net income (loss) available to common shareholders	\$ (128,920)	\$ 29,978
Add back: Real estate depreciation and amortization	26,340	23,632
Minority partners' interests in consolidated partnerships	3,065	1,874
Limited partners' minority interest in the operating partnership	--	4,050
Valuation reserves on investments in affiliate loans and joint ventures	163,000	--
Extraordinary loss on extinguishment of debt (net of limited partners' minority interest)	2,595	1,396
Less: Limited partners' minority interest in the operating partnership	14,657	--
Gain on sales of real estate	972	15,206
Amounts distributable to minority partners in consolidated partnerships	4,206	2,247
<b>Basic Funds From Operations</b>	<b>\$ 46,245</b>	<b>\$ 43,477</b>
Add dividends and distributions on dilutive shares and units:		
Series A preferred stock	\$ 4,381	\$ 4,381
Series B preferred stock	1,106	1,044
Minority partners' preferred interest	--	1,594
Limited partners' preferred interest	509	660
<b>Diluted FFO</b>	<b>\$ 52,241</b>	<b>\$ 51,156</b>
Diluted weighted average shares and units outstanding:		
Common shares	59,999	55,462
Limited operating partnership units	7,652	7,695
Common stock equivalents	441	588
Series A preferred stock	8,060	8,060
Series B preferred stock	1,919	1,919
Minority partners' preferred interest	--	3,454
Limited partners' preferred interest	1,056	1,367
<b>Total diluted weighted average shares and units outstanding</b>	<b>79,127</b>	<b>78,545</b>
Diluted FFO per weighted average share or unit	\$ 0.66	\$ 0.65
Diluted weighted average dividends or distributions per share or unit	\$ 0.45	\$ 0.41
Diluted FFO payout ratio	68.7%	63.7%
<b>CASH AVAILABLE FOR DISTRIBUTION</b>		
Basic FFO	\$ 46,245	\$ 43,477
Less: Straight line rents (a)	9,730	12,153
Non-incremental capitalized tenant improvements and leasing commissions	3,105	4,239
Non-incremental capitalized improvements	1,996	1,075
<b>Basic Cash Available for Distribution</b>	<b>\$ 31,414</b>	<b>\$ 26,010</b>
Add dividends and distributions on dilutive shares and units:		
Series A preferred stock	\$ --	\$ --
Series B preferred stock	--	--
Minority partners' preferred interest	--	--
Limited partners' preferred interest	260	--
<b>Diluted CAD</b>	<b>\$ 31,674</b>	<b>\$ 26,010</b>
Diluted weighted average shares and units outstanding:		
Common shares	59,999	55,462
Limited operating partnership units	7,652	7,695
Common stock equivalents	441	588
Series A preferred stock	--	--
Series B preferred stock	--	--
Minority partners' preferred interest	--	--
Limited partners' preferred interest	566	--
<b>Diluted weighted average shares and units outstanding</b>	<b>68,658</b>	<b>63,745</b>
Diluted CAD per weighted average share or unit	\$ 0.46	\$ 0.41
Diluted weighted average dividends or distributions per share or unit	\$ 0.46	\$ 0.42
Diluted CAD payout ratio	99.3%	103.2%



	Nine Months Ended September 30,	
	2001	2000
<b>FUNDS FROM OPERATIONS</b>		
Net income (loss) available to common shareholders	\$ (88,473)	\$ 68,792
Add back: Real estate depreciation and amortization	76,055	66,184
Minority partners' interests in consolidated partnerships	12,885	5,773
Limited partners' minority interest in the operating partnership	--	9,411
Valuation reserves on investments in affiliate loans and joint ventures	163,000	--
Extraordinary loss on extinguishment of debt (net of limited partners' minority interest)	2,595	1,396
Less: Limited partners' minority interest in the operating partnership	9,326	--
Gain on sales of real estate	972	21,868
Amounts distributable to minority partners in consolidated partnerships	15,010	6,764
<b>Basic Funds From Operations</b>	<b>\$ 140,754</b>	<b>\$ 122,924</b>
Add dividends and distributions on dilutive shares and units:		
Series A preferred stock	\$ 13,143	\$ 13,143
Series B preferred stock	3,236	6,803
Minority partners' preferred interest	2,624	4,781
Limited partners' preferred interest	1,630	1,981
<b>Diluted FFO</b>	<b>\$ 161,387</b>	<b>\$ 149,632</b>
Diluted weighted average shares and units outstanding:		
Common shares	57,773	52,595
Limited operating partnership units	7,703	7,697
Common stock equivalents	429	424
Series A preferred stock	8,060	8,060
Series B preferred stock	1,919	4,315
Minority partners' preferred interest	1,898	3,454
Limited partners' preferred interest	1,182	1,367
<b>Total diluted weighted average shares and units outstanding</b>	<b>78,964</b>	<b>77,912</b>
Diluted FFO per weighted average share or unit	\$ 2.04	\$ 1.92
Diluted weighted average dividends or distributions per share or unit	\$ 1.32	\$ 1.22
Diluted FFO payout ratio	64.6%	63.7%
<b>CASH AVAILABLE FOR DISTRIBUTION</b>		
Basic FFO	\$ 140,754	\$ 122,924
Less: Straight line rents (a)	31,743	24,991
Non-incremental capitalized tenant improvements and leasing commissions	9,849	8,982
Non-incremental capitalized improvements	4,260	3,773
<b>Basic Cash Available for Distribution</b>	<b>\$ 94,902</b>	<b>\$ 85,178</b>
Add dividends and distributions on dilutive shares and units:		
Series A preferred stock	\$ --	\$ --
Series B preferred stock	--	--
Minority partners' preferred interest	2,624	4,781
Limited partners' preferred interest	1,630	816
<b>Diluted CAD</b>	<b>\$ 99,156</b>	<b>\$ 90,775</b>
Diluted weighted average shares and units outstanding:		
Common shares	57,773	52,595
Limited operating partnership units	7,703	7,697
Common stock equivalents	429	424
Series A preferred stock	--	--
Series B preferred stock	--	--
Minority partners' preferred interest	1,898	3,454
Limited partners' preferred interest	1,182	598
<b>Diluted weighted average shares and units outstanding</b>	<b>68,985</b>	<b>64,768</b>
Diluted CAD per weighted average share or unit	\$ 1.44	\$ 1.40
Diluted weighted average dividends or distributions per share or unit	\$ 1.33	\$ 1.24
Diluted CAD payout ratio	92.6%	88.5%

(a) Includes straight line rental income attributable to 919 Third Avenue, New York, NY of \$5,939, \$8,175, \$20,323 and \$13,560, respectively.

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 CONSOLIDATED BALANCE SHEETS  
 (In thousands)

	September 30, 2001	December 31, 2000
-----		
ASSETS		
-----		
Commercial real estate properties, at cost:		
Land	\$ 389,186	\$ 396,482
Building and improvements	2,281,906	2,219,448
Developments in progress:		
Land	68,734	60,918
Development costs	74,198	93,759
Furniture, fixtures, and equipment	7,418	7,138
	-----	-----
	2,821,442	2,777,745
Less: accumulated depreciation and amortization	(346,315)	(288,479)
	-----	-----
Investment in real estate, net of accumulated depreciation	2,475,127	2,489,266
Investments in real estate joint ventures	5,663	5,348
Investments in mortgage notes and notes receivable	55,721	58,220
Investments in affiliate loans, joint ventures and subsidiaries	80,569	215,660
Cash and cash equivalents	38,466	17,843
Tenant receivables	10,065	11,511
Deferred rents receivable	96,773	67,930
Prepaid expenses and other assets	32,164	68,895
Contract and land deposits and pre-acquisition costs	3,481	1,676
Deferred leasing and loan costs	63,622	61,681
	-----	-----
TOTAL ASSETS	\$ 2,861,651	\$ 2,998,030
=====		
LIABILITIES AND STOCKHOLDER'S EQUITY		
-----		
LIABILITIES:		
Mortgage notes payable	\$ 762,526	\$ 728,971
Unsecured credit facility	246,600	216,600
Senior unsecured notes	449,443	449,385
Accrued expenses and other liabilities	74,491	95,393
Dividends and distributions payable	32,952	28,801
	-----	-----
TOTAL LIABILITIES	1,566,012	1,519,150
-----		
MINORITY INTERESTS:		
Minority partners' interests in consolidated partnerships	140,845	226,350
Preferred unit interest in the operating partnership	30,965	42,518
Limited partners' minority interest in the operating partnership	83,140	97,353
	-----	-----
TOTAL MINORITY INTERESTS	254,950	366,221
-----		
STOCKHOLDERS' EQUITY:		
Preferred Stock, \$.01 par value, 25,000,000 shares authorized		
Series A - 9,192,000 shares issued and outstanding	92	92
Series B - 2,000,000 shares issued and outstanding	20	20
Common Stock, \$.01 par value, 100,000,000 shares authorized		
Class A - 49,806,885 and 45,352,286 shares issued and outstanding, respectively	498	454
Class B - 10,283,513 shares issued and outstanding	103	103
Additional paid in capital	1,039,976	1,111,990
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	1,040,689	1,112,659
-----		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,861,651	\$ 2,998,030
=====		



DEBT SUMMARY AT SEPTEMBER 30, 2001  
(Dollars in thousands)

DEBT BREAKDOWN

	Balance	% of Total	Weighted Average Interest Rate	Weighted Average Maturity (Years)
Fixed Rate Secured Debt	\$ 762,526	52.3%	7.3%	10.1
Fixed Rate Senior Unsecured Notes (a)	449,443	30.8%	7.5%	5.8
Variable Rate Unsecured Credit Facility	246,600	16.9%	4.6%	2.2
Total/Weighted Average	\$1,458,569	100.0%	6.9%	7.4

DEBT AMORTIZATION AND MATURITY

Year	Secured Debt	Senior Unsecured Notes	Unsecured Credit Facility	Total
2001	\$ 2,629			\$ 2,629
2002	20,047			20,047
2003	12,550		246,600	259,150
2004	16,099	100,000		116,099
2005	33,004			33,004
2006	144,006			144,006
2007	72,165	150,000		222,165
2008	10,743			10,743
2009	110,608	200,000		310,608
2010	36,626			36,626
Thereafter	304,049			304,049
Total Debt	\$762,526	\$450,000	\$246,600	\$1,459,126

PROPERTY MORTGAGE DETAIL

Property	\$ Outstanding	Interest Rate	Maturity Date	Amortization Term (Years)
200 Broadhollow Road, Melville, NY (b)	\$ 6,442	7.75%	June-02	30
310 East Shore Road, Great Neck, NY	2,322	8.00%	July-02	Interest only
80 Orville Dr, Islip, NY	2,616	10.10%	February-04	Interest only
395 North Service Road, Melville, NY	20,219	6.45%	October-05	\$34k per month
200 Summit Lake Drive, Valhalla, NY	19,864	9.25%	January-06	25
1350 Avenue of the Americas, NY, NY	75,000	6.52%	June-06	(e)
Landmark Square, Stamford, CT	46,302	8.02%	October-06	25
100 Summit Lake Drive, Valhalla, NY	20,674	8.50%	April-07	15
333 Earle Ovington Blvd, Mitchel Field, NY (c)	55,008	7.72%	August-07	25
810 Seventh Avenue, NY, NY	84,619	7.73%	August-09	25
100 Wall Street, NY, NY	36,669	7.73%	August-09	25
6900 Jericho Turnpike, Syosset, NY	7,484	8.07%	July-10	25
6800 Jericho Turnpike, Syosset, NY	14,181	8.07%	July-10	25
580 White Plains Road, Tarrytown, NY	12,925	7.86%	September-10	25
919 Third Ave, NY, NY	249,790	6.867%	October-11	30
110 Bi-County Blvd., Farmingdale, NY	3,899	9.13%	November-12	20
One Orlando Center, Orlando, FL (d)	39,070	6.82%	November-27	28
120 West 45th Street, NY, NY (d)	65,442	6.82%	November-27	28
Total/Weighted Average	\$762,526	7.28%		

- (a) These notes were issued at an aggregate discount of \$738,000, which is being amortized over the term of the Senior Unsecured Notes to which they relate. Current unamortized discount is \$557,000
- (b) Paid off subsequent to quarter end
- (c) The Company has a 60% general partnership interest in this property and its proportionate share of the aggregate principal amount is approximately \$33.1 million
- (d) Subject to interest rate adjustment on November 1, 2004
- (e) Interest only for the 1st year; 30 years thereafter
- (f) The Company has a 60% interest in an unconsolidated joint venture property. The pro rata share of this debt is approximately \$8.0 million



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PREFERRED SECURITIES AT SEPTEMBER 30, 2001  
(in thousands)

The following table sets forth certain information regarding the Company's preferred securities, as of September 30, 2001.

Security	Liquidation Preference Value	Current Yield	Conversion price Per Share	Issuance date
7 5/8 % Series A Convertible Cumulative Preferred Stock	\$229,800	7.625%	\$28.51	April 1998
Series B Convertible Cumulative Preferred Stock	50,000	8.850%	\$26.05	June 1999
Series B Preferred Units of Limited Partnership Interest	14,384	6.337%	\$32.51	April 1998
Series C Preferred Units of Limited Partnership Interest	10,581	6.337%	\$29.39	April 1998
Series D Preferred Units of Limited Partnership Interest	6,000	6.337%	\$29.12	July 1998
Total	\$310,765			

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 SAME STORE PERFORMANCE

For the 3 month period September 30, 2001 vs. September 30, 2000  
 (In thousands)

REGIONAL BREAKDOWN

	CASH REVENUE			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 32,750	\$ 31,111	\$ 1,639	5.3%
Westchester	16,790	17,560	(770)	-4.4%
Connecticut	8,970	8,380	590	7.0%
New Jersey	11,032	10,678	354	3.3%
New York City	32,856	26,836	6,020	22.4%
Florida	2,374	2,274	100	4.4%
Total	\$ 104,772	\$ 96,839	\$ 7,933	8.2%

	GAAP REVENUE			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 33,791	\$ 32,491	\$ 1,300	4.0%
Westchester	17,198	18,042	(844)	-4.7%
Connecticut	8,972	8,441	531	6.3%
New Jersey	11,180	11,083	97	0.9%
New York City	40,170	36,047	4,123	11.4%
Florida	2,389	2,164	225	10.4%
Total	\$ 113,700	\$ 108,268	\$ 5,432	5.0%

	OPERATING EXPENSES			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 5,767	\$ 5,815	\$ (48)	-0.8%
Westchester	4,245	4,723	(478)	-10.1%
Connecticut	2,112	1,760	352	20.0%
New Jersey	2,026	1,746	280	16.0%
New York City	8,670	8,169	501	6.1%
Florida	408	364	44	12.1%
Total	\$ 23,228	\$ 22,577	\$ 651	2.9%

	REAL ESTATE TAXES			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 5,863	\$ 5,499	\$ 364	6.6%
Westchester	2,268	2,201	67	3.0%
Connecticut	743	717	26	3.6%
New Jersey	1,415	1,296	119	9.2%
New York City	6,297	5,756	541	9.4%
Florida	246	211	35	16.6%
Total	\$ 16,832	\$ 15,680	\$ 1,152	7.3%

	CASH NOI			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 21,120	\$ 19,797	\$ 1,323	6.7%
Westchester	10,277	10,636	(359)	-3.4%
Connecticut	6,115	5,903	212	3.6%
New Jersey	7,591	7,636	(45)	-0.6%
New York City	17,889	12,911	4,978	38.6%
Florida	1,720	1,699	21	1.2%
Total	\$ 64,712	\$ 58,582	\$ 6,130	10.5%

	GAAP NOI			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 22,161	\$ 21,177	\$ 984	4.6%
Westchester	10,685	11,118	(433)	-3.9%
Connecticut	6,117	5,964	153	2.6%
New Jersey	7,739	8,041	(302)	-3.8%
New York City	25,203	22,122	3,081	13.9%
Florida	1,735	1,589	146	9.2%
Total	\$ 73,640	\$ 70,011	\$ 3,629	5.2%

(a) Includes two retail properties

PROPERTY TYPE BREAKDOWN

	CASH REVENUE			
	September-01	September-00	\$ Change	% Change
Office	\$ 92,934	\$ 85,326	\$ 7,608	8.9%
Industrial (a)	11,838	11,513	325	2.8%
<b>Total</b>	<b>\$ 104,772</b>	<b>\$ 96,839</b>	<b>\$ 7,933</b>	<b>8.2%</b>

	GAAP REVENUE			
	September-01	September-00	\$ Change	% Change
Office	\$ 101,636	\$ 96,224	\$ 5,412	5.6%
Industrial (a)	12,064	12,044	20	0.2%
<b>Total</b>	<b>\$ 113,700</b>	<b>\$ 108,268</b>	<b>\$ 5,432</b>	<b>5.0%</b>

	OPERATING EXPENSES			
	September-01	September-00	\$ Change	% Change
Office	\$ 22,488	\$ 21,811	\$ 677	3.1%
Industrial (a)	740	766	(26)	-3.4%
<b>Total</b>	<b>\$ 23,228</b>	<b>\$ 22,577</b>	<b>\$ 651</b>	<b>2.9%</b>

	REAL ESTATE TAXES			
	September-01	September-00	\$ Change	% Change
Office	\$ 14,769	\$ 13,687	\$ 1,082	7.9%
Industrial (a)	2,063	1,993	70	3.5%
<b>Total</b>	<b>\$ 16,832</b>	<b>\$ 15,680</b>	<b>\$ 1,152</b>	<b>7.3%</b>

	CASH NOI			
	September-01	September-00	\$ Change	% Change
Office	\$ 55,677	\$ 49,828	\$ 5,849	11.7%
Industrial (a)	9,035	8,754	281	3.2%
<b>Total</b>	<b>\$ 64,712</b>	<b>\$ 58,582</b>	<b>\$ 6,130</b>	<b>10.5%</b>

	GAAP NOI			
	September-01	September-00	\$ Change	% Change
Office	\$ 64,379	\$ 60,726	\$ 3,653	6.0%
Industrial (a)	9,261	9,285	(24)	-0.3%
<b>Total</b>	<b>\$ 73,640</b>	<b>\$ 70,011</b>	<b>\$ 3,629</b>	<b>5.2%</b>

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**SAME STORE PERFORMANCE**

For the 9 month period September 30, 2001 vs. September 30, 2000  
(In thousands)

**REGIONAL BREAKDOWN**  
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	CASH REVENUE			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 94,477	\$ 89,745	\$ 4,732	5.3%
Westchester	50,865	50,084	781	1.6%
Connecticut	26,228	23,912	2,316	9.7%
New Jersey	29,777	26,814	2,963	11.1%
New York City	93,544	84,349	9,195	10.9%
Florida	6,969	6,858	111	1.6%
<b>Total</b>	<b>\$ 301,860</b>	<b>\$ 281,762</b>	<b>\$ 20,098</b>	<b>7.1%</b>

	GAAP REVENUE			
	September-01	September-00	\$ Change	% Chang
Long Island	\$ 97,712	\$ 92,959	\$ 4,753	5.1%
Westchester	52,219	51,333	886	1.7%
Connecticut	26,334	24,041	2,293	9.5%
New Jersey	30,038	27,098	2,940	10.8%
New York City	116,928	102,300	14,628	14.3%
Florida	7,045	7,070	(25)	-0.4%
<b>Total</b>	<b>\$ 330,276</b>	<b>\$ 304,801</b>	<b>\$ 25,475</b>	<b>8.4%</b>

	OPERATING EXPENSES			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 15,487	\$ 15,519	\$ (32)	-0.2%
Westchester	12,241	12,397	(156)	-1.3%
Connecticut	5,922	5,445	477	8.8%
New Jersey	5,159	4,789	370	7.7%
New York City	23,068	20,640	2,428	11.8%
Florida	1,151	1,070	81	7.6%
<b>Total</b>	<b>\$ 63,028</b>	<b>\$ 59,860</b>	<b>\$ 3,168</b>	<b>5.3%</b>

	REAL ESTATE TAXES			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 17,211	\$ 16,388	\$ 823	5.0%
Westchester	6,797	6,547	250	3.8%
Connecticut	2,176	1,891	285	15.1%
New Jersey	3,533	3,312	221	6.7%
New York City	17,953	16,764	1,189	7.1%
Florida	737	688	49	7.1%
<b>Total</b>	<b>\$ 48,407</b>	<b>\$ 45,590</b>	<b>\$ 2,817</b>	<b>6.2%</b>

	CASH NOI			
	September-01	September-00	\$ Change	% Change
Long Island	\$ 61,779	\$ 57,838	\$ 3,941	6.8%
Westchester	31,827	31,140	687	2.2%
Connecticut	18,130	16,576	1,554	9.4%
New Jersey	21,085	18,713	2,372	12.7%
New York City	52,523	46,945	5,578	11.9%
Florida	5,081	5,100	(19)	-0.4%
<b>Total</b>	<b>\$ 190,425</b>	<b>\$ 176,312</b>	<b>\$ 14,113</b>	<b>8.0%</b>

	GAAP NOI			
	September-01	September-00	\$ Change	% Chang
Long Island	\$ 65,014	\$ 61,052	\$ 3,962	6.5%
Westchester	33,181	32,389	792	2.4%
Connecticut	18,236	16,705	1,531	9.2%
New Jersey	21,346	18,997	2,349	12.4%
New York City	75,907	64,896	11,011	17.0%
Florida	5,157	5,312	(155)	-2.9%
<b>Total</b>	<b>\$ 218,841</b>	<b>\$ 199,351</b>	<b>\$ 19,490</b>	<b>9.8%</b>

-----  
(a) Includes two retail properties  
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PROPERTY TYPE BREAKDOWN

	CASH REVENUE			
	September-01	September-00	\$ Change	% Change
Office	\$ 266,353	\$ 247,278	\$ 19,075	7.7%
Industrial (a)	35,507	34,484	1,023	3.0%
Total	\$ 301,860	\$ 281,762	\$ 20,098	7.1%

	GAAP REVENUE			
	September-01	September-00	\$ Change	% Change
Office	\$ 293,737	\$ 269,125	\$ 24,612	9.1%
Industrial (a)	36,539	35,676	863	2.4%
Total	\$ 330,276	\$ 304,801	\$ 25,475	8.4%

	OPERATING EXPENSES			
	September-01	September-00	\$ Change	% Change
Office	\$ 60,302	\$ 57,470	\$ 2,832	4.9%
Industrial (a)	2,726	2,390	336	14.1%
Total	\$ 63,028	\$ 59,860	\$ 3,168	5.3%

	REAL ESTATE TAXES			
	September-01	September-00	\$ Change	% Change
Office	\$ 42,277	\$ 39,518	\$ 2,759	7.0%
Industrial (a)	6,130	6,072	58	1.0%
Total	\$ 48,407	\$ 45,590	\$ 2,817	6.2%

	CASH NOI			
	September-01	September-00	\$ Change	% Change
Office	\$ 163,774	\$ 150,290	\$ 13,484	9.0%
Industrial (a)	26,651	26,022	629	2.4%
Total	\$ 190,425	\$ 176,312	\$ 14,113	8.0%

	GAAP NOI			
	September-01	September-00	\$ Change	% Change
Office	\$ 191,158	\$ 172,137	\$ 19,021	11.0%
Industrial (a)	27,683	27,214	469	1.7%
Total	\$ 218,841	\$ 199,351	\$ 19,490	9.8%

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PORTFOLIO SNAPSHOT  
Based on 3rd quarter 2001

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GAAP CONSOLIDATED AMOUNTS (A)  
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-----  
PRO FORMA AMOUNTS (B)  
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GEOGRAPHIC DISTRIBUTION  
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	Square Feet	Cash Revenue	Cash NOI	GAAP NOI	Square Feet	Cash Revenue	Cash NOI	GAAP NOI
Long Island								
Office	20%	23%	23%	22%	18%	19%	19%	19%
Industrial (c)	29%	9%	11%	10%	30%	9%	11%	11%
Subtotal - Long Island	49%	32%	34%	32%	48%	28%	30%	30%
Westchester								
Office	16%	19%	20%	19%	16%	19%	20%	20%
Industrial	1%	0%	0%	0%	1%	0%	0%	1%
Subtotal - Westchester	17%	19%	20%	19%	17%	19%	20%	21%
Connecticut								
Office	5%	7%	7%	6%	5%	6%	6%	5%
Industrial	2%	1%	1%	1%	2%	1%	1%	1%
Subtotal - Connecticut	7%	8%	8%	7%	7%	7%	7%	6%
New Jersey								
Office	9%	12%	13%	12%	9%	11%	12%	11%
Industrial	2%	1%	1%	1%	2%	1%	1%	1%
Subtotal - New Jersey	11%	13%	14%	13%	11%	12%	13%	12%
New York City								
Office	17%	29%	24%	29%	18%	34%	30%	31%
Subtotal - New York City	17%	29%	24%	29%	18%	34%	30%	31%

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PROPERTY TYPE  
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Office	67%	89%	87%	88%	66%	89%	87%	86%
Industrial	33%	11%	13%	12%	34%	11%	13%	14%

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SUBURBAN VS CBD ( OFFICE SPACE ONLY )  
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Suburban	62%	56%	60%	55%	61%	51%	54%	53%
CBD	38%	44%	40%	45%	39%	49%	46%	47%

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(a) Information in accordance with GAAP accounting

(b) Adjusted for pro rata share of consolidated and unconsolidated joint venture properties and free rent addback at 919 3rd Avenue

(c) Includes 2 retail properties

(d) The Company also owns a 357,000 square foot office building in Orlando, FL. Percentage calculations exclude this property  
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 OCCUPANCY ANALYSIS  
 As of September 30, 2001  
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PROPERTY	NUMBER OF BUILDINGS	RENTABLE SQUARE FEET	OCCUPANCY JUN-01	AS OF SEP-01
OFFICE PROPERTIES				
SUBURBAN OFFICE PARKS				
LONG ISLAND				
Nassau West Corporate Center, Mitchel Field, NY (1)	6	1,531,021	97.9%	97.2%
Huntington Melville Corporate Center, Melville, NY (2)	7	1,053,354	99.3%	99.6%
North Shore Atrium, Syosset, NY	2	304,177	96.8%	96.8%
-----				
SUBTOTAL - LONG ISLAND (3)	15	2,888,552	98.2%	97.9%
WESTCHESTER				
Tarrytown Corporate Center, Tarrytown, NY	6	875,726	95.5%	93.2%
Summit at Vallhalla, Vahalla, NY	3	699,045	90.1%	83.9%
Mt. Pleasant Corporate Center, Valhalla, NY	2	162,004	94.3%	95.8%
Reckson Executive Park, Rye Brook, NY	6	541,884	98.3%	99.2%
-----				
SUBTOTAL - WESTCHESTER	17	2,278,659	94.4%	92.0%
NEW JERSEY				
Short Hills Office Center, Short Hills, NJ (4)	3	566,803	98.9%	100.0%
Executive Hill Office Park, West Orange, NJ	4	391,382	99.5%	94.6%
University Square, Princeton, NJ	3	131,643	100.0%	100.0%
-----				
SUBTOTAL - NEW JERSEY (3)	10	1,089,828	100.0%	98.0%
-----				
SUBTOTAL - SUBURBAN OFFICE PARK (3)	42	6,257,039	96.9%	95.6%
-----				
SUBURBAN STAND ALONE				
Long Island Office Properties	11	1,162,625	97.0%	97.9%
New Jersey Office Properties	6	871,398	97.4%	98.8%
Westchester Office Properties	2	282,889	100.0%	98.1%
-----				
SUBTOTAL - SUBURBAN STANDALONE	19	2,316,912	97.5%	98.3%
-----				
SUBTOTAL - SUBURBAN OFFICE (3)	61	8,573,951	97.8%	96.8%
-----				
CBD OFFICE				
CONNECTICUT				
Landmark Square, Stamford, CT	6	798,321	94.4%	93.7%
Stamford Towers, Stamford, CT	2	324,867	100.0%	100.0%
-----				
SUBTOTAL - CONNECTICUT	8	1,123,188	96.1%	95.4%
WESTCHESTER				
Standalone Office	4	668,916	96.0%	96.1%
-----				
SUBTOTAL - WESTCHESTER OFFICE	4	668,916	96.0%	96.1%
NEW YORK CITY				
919 Third Avenue	1	1,356,115	97.4%	98.1%
810 Seventh Avenue	1	692,060	99.8%	99.5%
100 Wall Street	1	466,226	99.0%	98.6%

120 W. 45th Street	1	443,109	95.0%	91.4%
1350 Ave. of the Americas	1	540,000	93.5%	95.5%
-----				
SUBTOTAL - NEW YORK CITY	5	3,497,510	97.2%	97.2%
-----				
SUBTOTAL - CBD OFFICE	17	5,289,614	96.0%	96.7%
-----				
SUBTOTAL - OFFICE PROPERTIES (3)	78	13,863,565	97.0%	96.7%
-----				

OCCUPANCY ANALYSIS  
As of September 30, 2001

PROPERTY	SQUARE FEET AS A % OF		NOI AS A %	
	PROPERTY TYPE	TOTAL PORTFOLIO	PROPERTY TYPE	TOTAL PORTFOLIO
OFFICE PROPERTIES				
SUBURBAN OFFICE PARKS				
LONG ISLAND				
Nassau West Corporate Center, Mitchel Field, NY (1)	11.0%	7.4%	12.7%	11.1%
Huntington Melville Corporate Center, Melville, NY (2)	7.6%	5.1%	5.9%	5.1%
North Shore Atrium, Syosset, NY	2.2%	1.5%	1.7%	1.5%
-----				
SUBTOTAL - LONG ISLAND (3)	20.8%	14.0%	20.3%	17.6%
WESTCHESTER				
Tarrytown Corporate Center, Tarrytown, NY	6.3%	4.2%	5.8%	5.0%
Summit at Vallhalla, Valhalla, NY	5.0%	3.4%	6.4%	5.6%
Mt. Pleasant Corporate Center, Valhalla, NY	1.2%	0.8%	1.0%	0.9%
Reckson Executive Park, Rye Brook, NY	3.9%	2.6%	3.6%	3.1%
-----				
SUBTOTAL - WESTCHESTER	16.4%	11.0%	16.8%	14.6%
NEW JERSEY				
Short Hills Office Center, Short Hills, NJ (4)	4.1%	2.7%	5.9%	5.1%
Executive Hill Office Park, West Orange, NJ	2.8%	1.9%	2.3%	2.0%
University Square, Princeton, NJ	0.9%	0.6%	0.9%	0.8%
-----				
SUBTOTAL - NEW JERSEY (3)	7.9%	5.3%	9.1%	7.9%
-----				
SUBTOTAL - SUBURBAN OFFICE PARK (3)	45.1%	30.2%	46.2%	40.1%
-----				
SUBURBAN STAND ALONE				
Long Island Office Properties	8.4%	5.6%	6.6%	5.7%
New Jersey Office Properties	6.3%	4.2%	5.8%	5.0%
Westchester Office Properties	2.0%	1.4%	1.9%	1.6%
-----				
SUBTOTAL - SUBURBAN STANDALONE	16.7%	11.2%	14.2%	12.4%
-----				
SUBTOTAL - SUBURBAN OFFICE (3)	61.8%	41.4%	60.4%	52.5%
-----				
CBD Office				
Connecticut				
Landmark Square, Stamford, CT	5.8%	3.9%	5.3%	4.6%

Stamford Towers, Stamford, CT	2.3%	1.6%	2.4%	2.1%
Subtotal - Connecticut	8.1%	5.4%	7.7%	6.7%
Westchester				
Standalone Office	4.8%	3.2%	4.7%	4.1%
Subtotal - Westchester Office	4.8%	3.2%	4.7%	4.1%
New York City				
919 Third Avenue	9.8%	6.6%	6.9%	6.0%
810 Seventh Avenue	5.0%	3.3%	6.7%	5.8%
100 Wall Street	3.4%	2.3%	3.7%	3.2%
120 W. 45th Street	3.2%	2.1%	4.9%	4.3%
1350 Ave. of the Americas	3.9%	2.6%	5.0%	4.3%
SUBTOTAL - NEW YORK CITY	25.2%	16.9%	27.1%	23.6%
SUBTOTAL - CBD OFFICE	38.2%	25.6%	39.6%	34.4%
SUBTOTAL - OFFICE PROPERTIES (3)	100.0%	67.0%	100.0%	86.9%

(1) Does not include 27,013 square feet leased to the health club at Omni.

(2) Rentable square feet includes a recently completed 277,500 sf Class A office building which is currently 31% leased; percent leased excludes this property.

(3) Percent leased excludes properties under development.

(4) Rentable square feet includes a 129,508 sf building under redevelopment; percent leased excludes this property.

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 OCCUPANCY ANALYSIS  
 As of September 30, 2001  
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Property	Number of Buildings	Rentable Square Feet	Occupancy as of Jun-01	as of Sep-01
INDUSTRIAL PROPERTIES				
LONG ISLAND INDUSTRIAL PROPERTIES				
Vanderbilt Industrial Park, Hauppauge, NY (1)	47	2,379,895	97.9%	97.4%
Airport International Plaza, Bohemia, NY	21	1,289,865	97.3%	98.1%
County Line Industrial Center, Melville, NY	4	342,174	100.0%	100.0%
Other Submarkets				
Farmingdale	3	520,615	99.9%	99.9%
Melville	4	246,169	100.0%	100.0%
Islip/Islandia	6	212,400	100.0%	100.0%
Hauppauge	2	195,942	99.1%	99.1%
Other	8	708,740	100.0%	96.7%
Subtotal - Long Island Industrial (2)	95	5,895,800	98.6%	98.1%
Stand-alone Westchester Industrial Properties	2	139,690	100.0%	100.0%
Stand-alone Connecticut Industrial Properties	1	452,414	100.0%	100.0%
Stand-alone New Jersey Industrial Properties	5	324,254	82.4%	82.4%
Subtotal- Industrial Properties (2)	103	6,812,158	97.9%	97.5%
Retail Properties	2	20,000	50.0%	50.0%
Total - All Properties (2)	183	20,695,723	97.3%	96.8%

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 OCCUPANCY ANALYSIS  
 As of September 30, 2001  
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Property	Square Feet as a % of Property Type Total Portfolio		NOI as a % Property Type Total Portfolio	
INDUSTRIAL PROPERTIES				
LONG ISLAND INDUSTRIAL PROPERTIES				
Vanderbilt Industrial Park, Hauppauge, NY (1)	34.9%	11.5%	27.8%	3.6%
Airport International Plaza, Bohemia, NY	18.9%	6.2%	19.5%	2.6%
County Line Industrial Center, Melville, NY	5.0%	1.7%	5.0%	0.7%
Other Submarkets				
Farmingdale	7.6%	2.5%	7.9%	1.0%
Melville	3.6%	1.2%	5.6%	0.7%
Islip/Islandia	3.1%	1.0%	2.2%	0.3%
Hauppauge	2.9%	0.9%	3.3%	0.4%
Other	10.4%	3.4%	10.6%	1.4%
Subtotal - Long Island Industrial (2)	86.5%	28.5%	82.0%	10.8%
Stand-alone Westchester Industrial Properties	2.1%	0.7%	3.5%	0.5%
Stand-alone Connecticut Industrial Properties	6.6%	2.2%	9.1%	1.2%
Stand-alone New Jersey Industrial Properties	4.8%	1.6%	5.4%	0.7%
Subtotal- Industrial Properties (2)	100.0%	32.9%	100.0%	13.1%
Retail Properties	0.1%	0.1%	-0.1%	0.0%

-----  
Total - All Properties (2) 100.0% 100.0% 100.0% 100.0%  
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- (1) Rentable square feet includes a 56,875 square foot vacant building under redevelopment, percent leased excludes this property  
(2) Percent leased excludes properties under development  
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LEASING STATISTICS

For the three months ended September 30, 2001

EXECUTED LEASES (a)

	# of Transactions	Total Sq. Ft.	Average Base Rent	Average Effective Rent	Average Term (Years)
OFFICE PORTFOLIO					
Long Island	21	138,326	\$23.64	\$21.49	5.6
Westchester	17	82,263	\$26.72	\$24.97	6.4
Connecticut	2	7,490	\$28.44	\$27.40	4.9
New Jersey (b)	6	250,219	\$29.58	\$27.78	2.0
New York City	3	18,797	\$59.12	\$52.01	9.3

Totals/Weighted Average 49 497,095 \$28.55 \$26.48 4.0

INDUSTRIAL PORTFOLIO

Long Island 13 249,292 \$7.25 \$6.92 7.7

Totals/Weighted Average 13 249,292 \$7.25 \$6.92 7.7

RESEARCH & DEVELOPMENT PORTFOLIO

Totals/Weighted Average 0 0

PORTFOLIO TOTALS 62 746,387

SAME SPACE STATISTICS

Property Type	Total Sq. Ft.	Expiration	Base Rent Current (c)	% Change	Expiration	GAAP Rent Current (c)	% Change
Office	424,419	\$23.47	\$27.08	15.4%	\$22.77	\$27.71	21.7%
Industrial	241,192	\$6.37	\$6.50	2.0%	\$6.08	\$7.19	18.3%
Research & Development	0						
Totals/Weighted Average	665,611	\$17.27	\$19.62	13.6%	\$16.72	\$20.27	21.2%

TENANT RETENTION

Property Type	Leases Expiring (d)	Sq. Ft Expiring (d)	Sq. Ft Renewing	Renewal Percentage
Office	38	284,537	181,960	63.9%
Industrial	11	250,882	208,162	83.0%
Research & Development	1	24,000	0	0.0%
Totals	50	559,419	390,122	69.7%

(a) Includes new and renewed leases during the period

(b) Statistics include a 19 month 195,000 sf license agreement executed with American Express

(c) Represents either renewed or released space



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 LEASING STATISTICS

For the 12 months ended September 30, 2001

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 EXECUTED LEASES (a)

	# of Transactions	Total Sq. Ft.	Average Base Rent	Average Effective Rent	Average Term (Years)
OFFICE PORTFOLIO					
Long Island	58	517,442	\$27.06	\$23.78	8.8
Westchester	78	505,758	\$25.71	\$23.67	5.7
Connecticut	24	115,729	\$29.88	\$28.86	5.2
New Jersey	34	599,595	\$26.22	\$23.82	5.2
New York City	17	134,467	\$65.51	\$60.37	10.0

Totals/Weighted Average 211 1,872,991 \$29.36 \$26.70 6.7

INDUSTRIAL PORTFOLIO

Long Island	37	661,899	\$7.09	\$6.78	9.0
New Jersey	4	65,076	\$7.79	\$7.15	4.6

Totals/Weighted Average 41 726,975 \$7.15 \$6.81 8.6

RESEARCH & DEVELOPMENT PORTFOLIO

Long Island	5	35,493	\$14.58	\$13.06	5.8
Westchester	4	56,737	\$18.40	\$16.17	6.6

Totals/Weighted Average 9 92,230 \$16.93 \$14.97 6.3

PORTFOLIO TOTALS 261 2,692,196

-----  
 SAME SPACE STATISTICS

Property Type	Total Sq. Ft.	Base Rent Expiration	Current (b)	% Change	GAAP Rent Expiration	Current (b)	% Change
Office	1,196,088	\$23.84	\$27.18	14.0%	\$23.19	\$28.46	22.7%
Industrial	554,146	\$ 6.73	\$ 7.34	9.1%	\$ 6.44	\$ 7.77	20.7%
Research & Development	27,088	\$14.04	\$13.40	-4.6%	\$12.90	\$14.16	9.8%

Totals/Weighted Average 1,777,322 \$18.36 \$20.78 13.2% \$17.81 \$21.79 22.3%

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 TENANT RETENTION

Property Type	Leases Expiring (c)	Sq. Ft Expiring (c)	Sq. Ft Renewing	Renewal Percentage
Office	154	1,022,380	646,838	63.3%
Industrial	31	585,894	320,798	54.8%
Research & Development	5	51,088	13,204	25.8%

Totals 190 1,659,362 980,840 59.1%



- (a) Includes new and renewed leases during the period
  - (b) Represents either renewed or released space
  - (c) Includes early renewals
-

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 LEASE EXPIRATION SCHEDULE  
 As of September 30, 2001

TOTAL PORTFOLIO

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft
2001	48	491,060	2.6%	2.6%
2002	171	1,433,749	7.5%	10.0%
2003	174	1,948,718	10.1%	20.2%
2004	185	1,898,329	9.9%	30.1%
2005	202	2,484,552	12.9%	43.0%
2006	196	2,705,226	14.1%	57.1%
2007 and thereafter	304	8,237,790	42.9%	100.0%
Total/Weighted Average	1,280	19,199,424	100.0%	--

OFFICE PORTFOLIO

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft
2001	36	153,687	1.2%	1.2%
2002	142	1,062,494	8.3%	9.5%
2003	142	1,177,346	9.2%	18.6%
2004	144	1,178,558	9.2%	27.8%
2005	176	1,699,118	13.2%	41.0%
2006	154	1,691,172	13.2%	54.2%
2007 and thereafter	247	5,892,948	45.8%	100.0%
Total/Weighted Average	1,041	12,855,323	100.0%	--

INDUSTRIAL/R&D PORTFOLIO

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft
2001	12	337,373	5.3%	5.3%
2002	29	371,255	5.9%	11.2%
2003	32	771,372	12.2%	23.3%
2004	41	719,771	11.3%	34.7%
2005	26	785,434	12.4%	47.1%
2006	42	1,014,054	16.0%	63.0%
2007 and thereafter	57	2,344,842	37.0%	100.0%
Total/Weighted Average	239	6,344,101	100.0%	--

LEASE EXPIRATION SCHEDULE  
As of September 30, 2001

LONG ISLAND OFFICE (EXCLUDING OMNI)

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	10	58,954	1.9%	1.9%	\$22.39	\$23.58
2002	30	137,384	4.5%	6.4%	\$22.63	\$25.13
2003	48	324,908	10.7%	17.1%	\$23.69	\$26.03
2004	40	249,801	8.2%	25.3%	\$23.47	\$25.29
2005	48	411,949	13.5%	38.8%	\$24.07	\$26.35
2006	31	142,090	4.7%	43.5%	\$26.29	\$29.72
2007 and thereafter	83	1,723,657	56.5%	100.0%	--	--
Total/Weighted Average	290	3,048,743	100.0%	--	--	--

OMNI

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	1	5,290	0.9%	0.9%	\$30.83	\$34.82
2002	4	53,127	9.3%	10.2%	\$34.55	\$37.91
2003	4	58,018	10.1%	20.3%	\$30.22	\$34.97
2004	4	112,414	19.6%	39.9%	\$26.14	\$34.15
2005	6	59,115	10.3%	50.2%	\$27.91	\$35.18
2006	1	9,749	1.7%	51.9%	\$35.21	\$38.02
2007 and thereafter	10	276,259	48.1%	100.0%	--	--
Total/Weighted Average	30	573,972	100.0%	--	--	--

WESTCHESTER OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	4	14,463	0.5%	0.5%	\$22.07	\$22.37
2002	48	430,153	14.3%	14.8%	\$21.34	\$21.92
2003	49	240,857	8.0%	22.8%	\$22.68	\$23.81
2004	32	169,158	5.6%	28.4%	\$21.37	\$22.40
2005	45	387,247	12.9%	41.2%	\$25.00	\$25.40
2006	36	719,583	23.9%	65.1%	\$22.79	\$24.60
2007 and thereafter	44	1,049,933	34.9%	100.0%	--	--
Total/Weighted Average	258	3,011,394	100.0%	--	--	--

(1) Represents annualized straightline rent as of the lease expiration date

(2) Represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs

LEASE EXPIRATION SCHEDULE  
As of September 30, 2001

STAMFORD OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	9	18,656	1.8%	1.8%	\$27.67	\$21.62
2002	18	88,704	8.5%	10.3%	\$27.44	\$28.72
2003	17	120,969	11.6%	21.9%	\$31.00	\$31.64
2004	21	228,220	21.9%	43.7%	\$21.81	\$22.67
2005	19	121,885	11.7%	55.4%	\$26.66	\$28.47
2006	21	281,437	27.0%	82.4%	\$25.65	\$25.31
2007 and thereafter	16	183,932	17.6%	100.0%	--	--
Total/Weighted Average	121	1,043,803	100.0%	--	--	--

NEW JERSEY OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	7	38,621	2.1%	2.1%	\$16.76	\$17.14
2002	20	160,092	8.9%	11.0%	\$20.02	\$20.93
2003	17	317,607	17.6%	28.5%	\$28.05	\$27.56
2004	28	200,726	11.1%	39.6%	\$22.96	\$23.78
2005	24	272,316	15.1%	54.7%	\$23.66	\$23.63
2006	16	194,327	10.7%	65.4%	\$24.23	\$25.54
2007 and thereafter	17	625,055	34.6%	100.0%	--	--
Total/Weighted Average	129	1,808,744	100.0%	--	--	--

NEW YORK CITY OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	5	17,703	0.5%	0.5%	\$28.48	\$28.64
2002	22	193,034	5.7%	6.3%	\$32.47	\$33.40
2003	7	114,987	3.4%	9.7%	\$32.10	\$32.89
2004	19	218,239	6.5%	16.1%	\$36.46	\$39.35
2005	34	446,606	13.3%	29.4%	\$36.05	\$37.53
2006	49	343,986	10.2%	39.6%	\$29.92	\$30.69
2007 and thereafter	77	2,034,112	60.4%	100.0%	--	--
Total/Weighted Average	213	3,368,667	100.0%	--	--	--

- (1) Represents annualized straightline rent as of the lease expiration date  
(2) Represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs

LEASE EXPIRATION SCHEDULE  
As of September 30, 2001

INDUSTRIAL

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	7	74,427	1.5%	1.5%	\$5.75	\$6.17
2002	26	252,635	5.0%	6.4%	\$6.49	\$7.30
2003	28	733,434	14.4%	20.8%	\$5.35	\$6.26
2004	32	620,553	12.2%	33.0%	\$6.24	\$7.31
2005	22	427,994	8.4%	41.4%	\$5.93	\$7.97
2006	37	933,793	18.3%	59.7%	\$6.42	\$7.91
2007 and thereafter	44	2,056,442	40.3%	100.0%	--	--
<b>Total / Weighted Average</b>	<b>196</b>	<b>5,099,278</b>	<b>100.0%</b>	<b>--</b>	<b>--</b>	<b>--</b>

RESEARCH & DEVELOPMENT

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2001	5	262,946	21.1%	21.1%	\$ 5.59	\$6.78
2002	3	118,620	9.5%	30.7%	\$10.19	\$11.82
2003	4	37,938	3.0%	33.7%	\$ 9.20	\$10.15
2004	9	99,218	8.0%	41.7%	\$13.86	\$15.01
2005	4	357,440	28.7%	70.4%	\$ 8.70	\$10.78
2006	5	80,261	6.4%	76.8%	\$18.06	\$20.83
2007 and thereafter	13	288,400	23.2%	100.0%	--	--
<b>Total / Weighted Average</b>	<b>43</b>	<b>1,244,823</b>	<b>100.0%</b>	<b>--</b>	<b>--</b>	<b>--</b>

(1) Represents annualized straightline rent as of the lease expiration date

(2) Represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs

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LEASE EXPIRATION COMPARISON  
September 30, 2001

EXPIRING RENTS VS. MARKET ASKING RENTS

[GRAPHICS OMITTED]

SUBURBAN OFFICE PARK

	EXPIRING RENT (1) -----	MARKET RENT (2) -----	INCREASE -----
Long Island	24.85	30.04	21%
Westchester	22.77	29.13	28%
New Jersey	24.1	30.56	27%

CBD OFFICE PARK

	EXPIRING RENT (1) -----	MARKET RENT (2) -----	INCREASE -----
Connecticut	25.76	37.73	46%
New York City	34.95	59.76	71%

Source: Cushman & Wakefield

- (1) Represents average rents for leases expiring over the next 5.25 years  
(2) Average Class A asking rents as provided by Cushman & Wakefield. There can be no assurance the Company's properties can achieve such rents.

-----  
 LEASE DISTRIBUTION  
 As of September 30, 2001

OFFICE PORTFOLIO

Square Feet Under Lease	Occupied Sq Ft	% of Occupied Sq Ft	Contract Rent (a)	% of Contract Rent	Weighted Avg Maturity (Years)
2,500 or Less	453,521	3.5%	\$ 10,592,371	3.2%	3.5
2,501 - 5,000	798,180	6.2%	18,740,293	5.8%	4.0
5,001 - 10,000	1,376,737	10.7%	35,577,529	11.0%	4.2
10,001 - 20,000	2,187,646	17.0%	54,830,742	16.9%	4.9
20,001 - 40,000	2,769,815	21.5%	78,443,356	24.6%	5.1
40,001 - 60,000	1,232,039	9.6%	30,354,990	9.3%	7.2
60,001 - 100,000	1,043,378	8.1%	24,670,668	7.6%	7.2
100,001 or Greater	2,994,007	23.3%	69,826,809	21.5%	9.8
<b>Total</b>	<b>12,855,323</b>	<b>100.0%</b>	<b>\$323,036,757</b>	<b>100.0%</b>	<b>6.3</b>

INDUSTRIAL PORTFOLIO

Square Feet Under Lease	Occupied Sq Ft	% of Occupied Sq Ft	Contract Rent (a)	% of Contract Rent	Weighted Avg Maturity (Years)
10,000 or Less	620,401	9.8%	\$ 4,905,082	11.6%	3.8
10,001 - 20,000	626,796	9.9%	5,003,039	11.8%	3.7
20,001 - 40,000	1,107,856	17.5%	7,617,165	18.0%	3.6
40,001 - 60,000	823,203	13.0%	6,621,439	15.6%	4.3
60,001 - 100,000	763,157	12.0%	5,534,441	13.1%	5.8
100,001 or Greater	2,402,688	37.9%	12,629,297	29.8%	6.2
<b>Total</b>	<b>6,344,101</b>	<b>100.0%</b>	<b>\$42,310,462</b>	<b>100.0%</b>	<b>5.0</b>

-----  
 (a) Represents contract rent in place for the 12 month period October 1, 2001 through September 30, 2002.  
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NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES, TENANT IMPROVEMENT  
COSTS AND LEASING COMMISSIONS

The following table summarizes the expenditures incurred for capital expenditures for the entire portfolio and tenant improvements and leasing commissions for space leased at the Company's office and industrial properties for the nine month period ended September 30, 2001 and the historical average of such capital expenditures, tenant improvements and leasing commissions for the years 1997 through 2000.

-----  
NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES

	1997	1998	1999	2000	1997-2000 average	2001
Suburban Office Properties						
Total	\$1,108,675	\$2,004,976	\$2,298,899	\$3,289,116	\$2,175,417	\$2,623,584
Per Square Foot	0.22	0.23	0.23	0.33	0.25	0.26
CBD Office Properties						
Total	N/A	N/A	N/A	\$946,718	\$946,718	\$1,209,481
Per Square Foot	N/A	N/A	N/A	0.38	0.38	0.34
Industrial Properties						
Total	\$733,233	\$1,205,266	\$1,048,688	\$813,431	\$950,155	\$500,698
Per Square Foot	0.15	0.12	0.11	0.11	0.12	0.08

-----  
NON-INCREMENTAL REVENUE GENERATING TENANT IMPROVEMENTS AND LEASING COMMISSIONS

	1997	1998	1999	2000
Long Island Office Properties				
Tenant Improvements	\$ 784,044	\$1,140,251	\$1,009,357	\$2,853,706
Per Square Foot Improved	7.00	3.98	4.73	6.99
Leasing Commissions	\$ 415,822	\$ 418,191	\$ 551,762	\$2,208,604
Per Square Foot Leased	4.83	1.46	2.59	4.96
Total Per Square Foot	\$ 11.83	\$ 5.44	\$ 7.32	\$ 11.95
Westchester Office Properties				
Tenant Improvements	\$1,211,665	\$ 711,160	\$1,316,611	\$1,860,027
Per Square Foot Improved	8.9	4.45	5.62	5.72
Leasing Commissions	\$ 366,257	\$ 286,150	\$ 457,730	\$ 412,226
Per Square Foot Leased	2.69	1.79	1.96	3.00
Total Per Square Foot	\$ 11.59	\$ 6.24	\$ 7.58	\$ 8.72
Connecticut Office Properties				
Tenant Improvements	\$1,022,421	\$ 202,880	\$ 179,043	\$ 385,531
Per Square Foot Improved	13.39	5.92	4.88	4.19
Leasing Commissions	\$ 256,615	\$ 151,063	\$ 110,252	\$ 453,435
Per Square Foot Leased	3.36	4.41	3.00	4.92
Total Per Square Foot	\$ 16.75	\$ 10.33	\$ 7.88	\$ 9.11
New Jersey Office Properties				
Tenant Improvements	N/A	\$ 654,877	\$ 454,054	\$1,580,323
Per Square Foot Improved	N/A	3.78	2.29	6.71
Leasing Commissions	N/A	\$ 396,127	\$ 787,065	\$1,031,950
Per Square Foot Leased	N/A	2.08	3.96	4.44
Total Per Square Foot	N/A	\$ 5.86	\$ 6.25	\$ 11.15
New York City Office Properties				
Tenant Improvements	N/A	N/A	N/A	\$ 65,267
Per Square Foot Improved	N/A	N/A	N/A	1.79
Leasing Commissions	N/A	N/A	N/A	\$ 418,185
Per Square Foot Leased	N/A	N/A	N/A	11.50
Total Per Square Foot	N/A	N/A	N/A	\$ 13.29



Industrial Properties				
Tenant Improvements	\$ 230,466	\$ 283,842	\$ 375,646	\$ 650,216
Per Square Foot Improved	0.55	0.76	0.25	0.95
Leasing Commissions	\$ 81,013	\$ 200,154	\$ 835,108	\$ 436,506
Per Square Foot Leased	0.19	0.44	0.56	0.64
	-----	-----	-----	-----
Total Per Square Foot	\$ 0.75	\$ 1.20	\$ 0.81	\$ 1.59
	=====	=====	=====	=====
	1997-2000 average	2001	New	Renewal
	-----	-----	-----	-----
Long Island Office Properties				
Tenant Improvements	\$1,466,840	\$ 702,596	\$ 544,453	\$158,143
Per Square Foot Improved	5.68	3.87	14.91	1.09
Leasing Commissions	\$ 898,595	\$ 699,507	\$ 150,702	\$548,805
Per Square Foot Leased	3.46	3.86	4.13	3.79
	-----	-----	-----	-----
Total Per Square Foot	\$ 9.14	\$ 7.73	\$ 19.04	\$ 4.88
	=====	=====	=====	=====
Westchester Office Properties				
Tenant Improvements	\$1,274,866	\$1,683,578	\$1,137,880	\$545,698
Per Square Foot Improved	6.17	7.50	8.18	3.72
Leasing Commissions	\$ 380,591	\$ 39,295	\$ 39,295	\$ 0
Per Square Foot Leased	2.36	0.14	0.28	--
	-----	-----	-----	-----
Total Per Square Foot	\$ 8.53	\$ 7.64	\$ 8.46	\$ 3.72
	=====	=====	=====	=====
Connecticut Office Properties				
Tenant Improvements	\$ 447,469	\$ 213,909	\$ 133,543	\$ 80,366
Per Square Foot Improved	7.10	2.38	5.63	1.22
Leasing Commissions	\$ 242,841	\$ 182,516	\$ 118,463	\$ 64,053
Per Square Foot Leased	3.92	2.03	4.99	0.97
	-----	-----	-----	-----
Total Per Square Foot	\$ 11.02	\$ 4.41	\$ 10.62	\$ 2.19
	=====	=====	=====	=====
New Jersey Office Properties				
Tenant Improvements	\$ 896,418	\$1,140,108	\$1,102,974	\$ 37,134
Per Square Foot Improved	4.26	2.93	3.54	0.48
Leasing Commissions	\$ 738,381	\$1,591,484	\$1,283,112	\$308,372
Per Square Foot Leased	3.49	4.09	4.12	3.98
	-----	-----	-----	-----
Total Per Square Foot	\$ 7.75	\$ 7.02	\$ 7.66	\$ 4.46
	=====	=====	=====	=====
New York City Office Properties				
Tenant Improvements	\$ 65,267	\$ 738,800	\$ 738,800	\$ 0
Per Square Foot Improved	1.79	16.87	16.87	--
Leasing Commissions	\$ 418,185	\$1,026,398	\$1,026,398	\$ 0
Per Square Foot Leased	11.50	23.44	23.44	--
	-----	-----	-----	-----
Total Per Square Foot	\$ 13.29	\$ 40.31	\$ 40.31	\$ 0.00
	=====	=====	=====	=====
Industrial Properties				
Tenant Improvements	\$ 385,043	\$ 34,650	\$ 34,650	\$ 0
Per Square Foot Improved	0.63	0.08	0.22	--
Leasing Commissions	\$ 388,195	\$ 50,055	\$ 50,055	\$ 0
Per Square Foot Leased	0.46	0.11	0.31	--
	-----	-----	-----	-----
Total Per Square Foot	\$ 1.09	0.19	0.53	\$ 0.00
	=====	=====	=====	=====

[Graphics Omitted]

	LONG ISLAND				
	1997	1998	1999	2000	3Q01
Average Asking Rental Rates	\$26.14	\$27.23	\$27.69	\$28.86	\$30.04
Overall Vacancy	9.70%	6.70%	6.50%	8.40%	10.30%
Direct Vacancy	8.70%	6.10%	5.60%	6.30%	7.20%

  

	WESTCHESTER				
	1997	1998	1999	2000	3Q01
Average Asking Rental Rates	\$25.14	\$26.67	\$27.23	\$29.62	\$29.48
Overall Vacancy	15.60%	19.20%	16.30%	12.00%	17.80%
Direct Vacancy	13.30%	16.40%	15.00%	10.70%	13.80%

  

	SOUTHERN CONNECTICUT				
	1997	1998	1999	2000	3Q01
Average Asking Rental Rates	\$28.96	\$32.22	\$31.78	\$44.41	\$37.73
Overall Vacancy	5.70%	4.20%	4.70%	8.10%	11.80%
Direct Vacancy	4.20%	3.60%	4.00%	7.20%	7.80%

  

	NORTHERN NEW JERSEY				
	1997	1998	1999	2000	3Q01
Average Asking Rental Rates	\$25.38	\$27.42	\$28.52	\$29.66	\$30.56
Overall Vacancy	7.30%	7.50%	7.10%	9.90%	11.60%
Direct Vacancy	4.70%	5.30%	4.60%	6.50%	7.50%

Source: Cushman & Wakefield

NEW YORK CITY CLASS A OFFICE STATISTICS

[GRAPHICS OMITTED]

	AVERAGE ASKING RENTS				
	1997	1998	1999	2000	3Q01
Financial East	\$29.77	\$40.21	\$37.64	\$52.90	\$48.15
Midtown West Side	\$33.10	\$43.36	\$48.28	\$60.89	\$61.58
Midtown East Side	\$39.33	\$47.85	\$51.18	\$61.46	\$60.55
6th Ave./Rockefeller Center	\$43.62	\$51.33	\$53.12	\$65.91	\$64.63

Source: Cushman & Wakefield

Breakdown of New York City Revenue:  
Midtown West Side 38%  
Midtown East Side 27%  
6th Ave./Rockefeller Center 16%  
Financial East 12%

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 NEW YORK CITY CLASS A OFFICE STATISTICS

[GRAPHICS OMITTED]

FINANCIAL EAST

	1997	1998	1999	2000	3Q01
Overall Vacancy	8.9%	7.3%	4.1%	2.1%	5.0%
Direct Vacancy	8.2%	6.6%	3.4%	1.4%	1.4%

MIDTOWN WEST

	1997	1998	1999	2000	3Q01
Overall Vacancy	6.9%	4.3%	6.0%	2.7%	6.0%
Direct Vacancy	3.7%	3.3%	4.6%	2.4%	3.8%

MIDTOWN EAST

	1997	1998	1999	2000	3Q01
Overall Vacancy	7.2%	8.0%	5.0%	2.6%	6.3%
Direct Vacancy	5.6%	6.0%	3.8%	1.9%	3.1%

6TH AVE./ROCK CTR

	1997	1998	1999	2000	3Q01
Overall Vacancy	4.7%	5.0%	2.6%	1.2%	3.9%
Direct Vacancy	2.7%	2.2%	1.6%	0.9%	1.8%

Source: Cushman & Wakefield

Breakdown of New York City Revenue:  
 Midtown West Side 38%  
 Midtown East Side 27%  
 6th Ave./Rockefeller Center 16%  
 Financial East 12%

-----  
Long Island Submarket Class A Office Statistics

[Graphics Omitted]

AVERAGE ASKING RENTS

	1997	1998	1999	2000	3Q01
Central Nassau County	\$28.79	\$29.10	\$29.93	\$31.15	\$31.67
Western Suffolk County	\$26.55	\$26.22	\$27.34	\$28.22	\$30.27
Eastern Nassau County	\$25.22	\$27.49	\$26.23	\$28.75	\$28.94

DIRECT VACANCY RATES

	1997	1998	1999	2000	3Q01
Central Nassau County	7.5%	5.1%	5.1%	4.7%	4.2%
Western Suffolk County	7.7%	7.7%	11.6%	15.4%	16.8%
Eastern Nassau County	6.4%	4.9%	0.9%	1.4%	2.0%

Source: Cushman & Wakefield

Breadown of Long Island office revenue:  
Central Nassau 50%  
Western Suffolk 32%  
Eastern Nassau 7%  
Other 11%

-----  
 WESTCHESTER SUBMARKETS CLASS A OFFICE STATISTICS

[GRAPHICS OMITTED]

AVERAGE ASKING RENTS

	1997	1998	1999	2000	3Q01
Central	\$22.39	\$22.91	\$27.07	\$28.49	\$28.04
Tarrytown/Western	\$24.43	\$24.66	\$27.30	\$27.03	\$28.96
Eastern	\$26.53	\$29.35	\$27.70	\$29.65	\$30.75
White Plains CBD	\$25.09	\$26.84	\$27.44	\$30.62	\$30.26

DIRECT VACANCY RATES

	1997	1998	1999	2000	3Q01
Central	5.7%	12.3%	13.5%	12.0%	21.3%
Tarrytown / Western	7.9%	7.8%	8.0%	6.0%	11.2%
Eastern	8.6%	12.2%	10.1%	8.1%	7.2%
White Plains CBD	25.7%	22.7%	22.6%	11.5%	15.0%

Source: Cushman & Wakefield

Breakdown of Westchester office revenue:

- Central 30%
- Tarrytown / Western 27%
- White Plains 21%
- Eastern 16%
- Other 7%

Note: The 21.3% vacancy in Central Westchester is impacted by IBM selling a 383,000 owner occupied building. The location of this building is not easily accessible to major thoroughfares and employee and employee bedroom communities. Excluding this building the vacancy rate is 17.3%

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NEW JERSEY SUBMARKETS CLASS A OFFICE STATISTICS

[GRAPHICS OMITTED]

AVERAGE ASKING RENTS

	1997	1998	1999	2000	3Q01
Essex County	\$26.47	\$27.74	\$28.78	\$28.90	\$30.36
Bergen County	\$26.02	\$27.37	\$28.07	\$29.41	\$29.66
Mercer County	\$23.01	\$24.49	\$27.46	\$30.32	\$29.42

DIRECT VACANCY

	1997	1998	1999	2000	3Q01
Essex County	4.7%	3.3%	6.0%	9.6%	6.2%
Bergen County	7.8%	6.8%	5.3%	5.1%	9.9%
Mercer County	2.5%	1.5%	5.2%	6.3%	4.6%

Source: Cushman & Wakefield

Breakdown of New Jersey office revenue:

Essex County 46%  
Bergen County 10%  
Mercer County 6%  
Other 38%

-----  
 VALUE CREATION PIPELINE  
 As of September 30, 2001  
 -----

Stage / Property	Square Feet/ Acres	Investment To Date
-----		
PROJECTS IN STABILIZATION		
-----		
Melville Expressway Corporate Center, Melville, NY ( Phase I)	277,500	
-----		
TOTAL PROJECTS IN STABILIZATION	277,500	\$44,143,409
-----		
PROJECTS UNDER DEVELOPMENT OR REPOSITIONING		
-----		
103 JFK Expressway, Short Hills, NJ	129,508	
400 Moreland Road, Commack, NY	56,875	
-----		
TOTAL PROJECTS UNDER DEVELOPMENT OR REPOSITIONING	186,383	\$26,621,818
-----		
PROJECTS IN PLANNING		
-----		
Melville Square Corporate Center II, Melville, NY	255,000	
University Square , Princeton, NJ	315,000	
Melville Expressway Corporate Center, Melville, NY ( Phase II)	277,500	
Reckson Executive Park, Rye Brook, NY	345,000	
AIP 2001, Islip, NY	71,000	
Landmark 7, Stamford, CT	61,000	
Giralda Farms , Morris County, NJ	430,000	
-----		
TOTAL PROJECTS IN PLANNING	1,754,500	\$63,400,123
-----		
LAND		
-----		
70 Andrews Road, Hicksville, NY	3.8	
Old Willets Path, Hauppauge, NY	2.0	
Eagle Rock 3, East Hanover, NJ	15.0	
AIP Recapture, Islip, NY	4.2	
AIP, Islip NY	3.8	
AIP, Islip NY	2.0	
East Patchogue, East Patchogue, NY	23.0	
40 Cragwood, South Plainfield, NJ	7.0	
Giralda Farms , Chatham County, NJ	113.0	
-----		
TOTAL LAND	173.8	\$11,241,210
-----		
TOTAL UNREALIZED PIPELINE		\$145,406,560
-----		
Investments that reached realization during 2001		
-----		
50 Marcus Dr	163,762 sf	
100 Grasslands	47,690 sf	
-----		
TOTAL REALIZED VALUE CREATION PROJECTS	7,684,640	\$1,002,911,258
-----		



-----  
TOTAL VALUE CREATION PIPELINE \$1,148,317,818  
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-----  
VALUE CREATION PIPELINE  
As of September 30, 2001  
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-----  
Stage / Property Anticipated  
Total Investment (a) Current %  
Leased  
-----

-----  
PROJECTS IN STABILIZATION  
-----

Melville Expressway Corporate Center, Melville, NY ( Phase I) \$43,446,000

-----  
TOTAL PROJECTS IN STABILIZATION \$43,446,000 31.0%  
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-----  
PROJECTS UNDER DEVELOPMENT OR REPOSITIONING  
-----

103 JFK Expressway, Short Hills, NJ 129,508 \$30,000,000

400 Moreland Road, Commack, NY \$2,967,000

-----  
TOTAL PROJECTS UNDER DEVELOPMENT OR REPOSITIONING \$32,967,000 0.0%  
-----

-----  
PROJECTS IN PLANNING  
-----

Melville Square Corporate Center II, Melville, NY \$33,660,000

University Square , Princeton, NJ \$50,397,000

Melville Expressway Corporate Center, Melville, NY ( Phase II) \$49,290,000

Reckson Executive Park, Rye Brook, NY \$55,799,000

AIP 2001, Islip, NY \$5,692,000

Landmark 7, Stamford, CT \$13,208,000

Giralda Farms , Morris County, NJ \$80,091,000

-----  
TOTAL PROJECTS IN PLANNING \$288,137,000 0.0%  
-----

-----  
LAND  
-----

70 Andrews Road, Hicksville, NY \$3,309,000 -

Old Willets Path, Hauppauge, NY \$2,995,000 -

Eagle Rock 3, East Hanover, NJ \$17,625,000 -

AIP Recapture, Islip, NY \$0 -

AIP, Islip NY \$2,200,000 -

AIP, Islip NY \$1,400,000 -

East Patchogue, East Patchogue, NY \$0 -

40 Cragwood, South Plainfield, NJ \$0 -

Giralda Farms , Chatham County, NJ \$130,000,000 -

-----  
TOTAL LAND \$157,529,000  
-----

-----  
TOTAL UNREALIZED PIPELINE \$522,079,000  
-----

-----  
Investments that reached realization during 2001  
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50 Marcus Dr 163,762 sf

TOTAL REALIZED VALUE CREATION PROJECTS	\$1,002,911,258	97.1%
----------------------------------------	-----------------	-------

TOTAL VALUE CREATION PIPELINE	\$1,524,990,258	
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VALUE CREATION PIPELINE  
As of September 30, 2001

Stage / Property	Estimated Stabilization Date (a)	Anticipated Stabilized Return (a)
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PROJECTS IN STABILIZATION

Melville Expressway Corporate Center, Melville, NY ( Phase I)	Q3 2002	
---------------------------------------------------------------	---------	--

TOTAL PROJECTS IN STABILIZATION		12.0%
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PROJECTS UNDER DEVELOPMENT OR REPOSITIONING

103 JFK Expressway, Short Hills, NJ 129,508	Q4 2002	
---------------------------------------------	---------	--

400 Moreland Road, Commack, NY	Q4 2002	
--------------------------------	---------	--

TOTAL PROJECTS UNDER DEVELOPMENT OR REPOSITIONING		10.2%
---------------------------------------------------	--	-------

PROJECTS IN PLANNING

Melville Square Corporate Center II, Melville, NY	Q3 2003	
---------------------------------------------------	---------	--

University Square , Princeton, NJ	Q4 2003	
-----------------------------------	---------	--

Melville Expressway Corporate Center, Melville, NY ( Phase II)	Q4 2003	
----------------------------------------------------------------	---------	--

Reckson Executive Park, Rye Brook, NY	Q4 2003	
---------------------------------------	---------	--

AIP 2001, Islip, NY	Q4 2002	
---------------------	---------	--

Landmark 7, Stamford, CT	Q1 2003	
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Giralda Farms , Morris County, NJ	Q1 2004	
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TOTAL PROJECTS IN PLANNING		12.0%
----------------------------	--	-------

LAND

70 Andrews Road, Hicksville, NY	-	
---------------------------------	---	--

Old Willets Path, Hauppauge, NY	-	
---------------------------------	---	--

Eagle Rock 3, East Hanover, NJ	-	
--------------------------------	---	--

AIP Recapture, Islip, NY	-	
--------------------------	---	--

AIP, Islip NY	-	
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AIP, Islip NY	-	
---------------	---	--

East Patchogue, East Patchogue, NY	-	
------------------------------------	---	--

40 Cragwood, South Plainfield, NJ	-	
-----------------------------------	---	--

Giralda Farms , Chatham County, NJ	-	
------------------------------------	---	--

TOTAL LAND		11.3%
------------	--	-------

TOTAL UNREALIZED PIPELINE		11.6%
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Investments that reached realization during 2001

50 Marcus Dr	163,762 sf
100 Grasslands	47,690 sf

TOTAL REALIZED VALUE CREATION PROJECTS 12.6%

TOTAL VALUE CREATION PIPELINE

(a) Forward looking statement based upon management's estimates. Actual results may differ materially.