

## Vornado Joint Venture Acquires 99-Year Leasehold of Farley Post Office

Company Release - 6/19/2017

NEW YORK, NY -- (Marketwired) -- 06/19/17 -- VORNADO REALTY TRUST(NYSE: VNO) announced today that its 50% joint venture with the Related Companies has completed a 99-year lease with Empire State Development ("ESD") for the commercial space at the historic Farley Post Office building. The property is located on the double block bounded by 8th and 9th Avenues and 31st and 33rd Streets, across the street from Penn Station and Madison Square Garden.

The joint venture will develop 850,000 square feet of commercial space, comprised of approximately 730,000 square feet of office space targeting creative class tenants (with 32 by 40 foot column spacing and over 17 foot ceiling heights) and approximately 120,000 square feet of retail space. This transaction adds to Vornado's 9 million square foot Penn Plaza holdings.

The joint venture has made a \$230 million upfront contribution to the construction of the Moynihan Train Hall. Simultaneously, the joint venture completed a \$271 million loan facility, with an initial advance of \$202 million. The interest only loan is at LIBOR plus 3.25%, currently 4.41%, and matures in June 2019, with two one-year extension options.

The joint venture has also entered into a development agreement with ESD and a design-build contract with Skanska Moynihan Train Hall Builders. Under the development agreement with ESD, the joint venture is obligated to build the Moynihan Train Hall with Vornado and Related each guaranteeing the joint venture's obligations. Under the design-build agreement, Skanska Moynihan Train Hall Builders will fulfill all of the joint venture's obligations. The obligations of Skanska Moynihan Train Hall Builders has been bonded by Skanska USA and bears a full guaranty from Skanska AB.

Vornado Realty Trust is a fully integrated equity real estate investment trust.

Certain statements contained herein may constitute "forward-looking statements" within the meaning of the

Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors.

CONTACT:

Joseph Macnow  
(201) 587-1000

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