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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: MARCH 31, 1995

or

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

For the transition period from ____________________ to ____________________

Commission File Number: 1-11954

VORNADO REALTY TRUST

(Exact name of registrant as specified in its charter)

MARYLAND	22-1657560
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
PARK 80 WEST, PLAZA II, SADDLE BROOK, NEW JERSEY	07663
(Address of principal executive offices)	(Zip Code)

(201)587-1000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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.

/X/ Yes / / No

As of May 4, 1995 there were 24,238,937 common shares outstanding.

VORNADO REALTY TRUST

INDEX

PART I. FINANCIAL INFORMATION

VORNADO REALTY TRUST

CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS EXCEPT SHARE AMOUNTS)

	MARCH 31, 1995	DECEMBER 31, 1994
ASSETS:		
Real estate, at cost:		
Land	$ 61,269	$ 61,269
Buildings and improvements	302,546	298,277
Leasehold improvements and equipment	6,393	6,286
Total	370,208	365,832
Less accumulated depreciation and amortization	(131,270)	(128,705)
Real estate, net	238,938	237,127
Cash and cash equivalents, including U.S. government obligations under repurchase agreements of $9,120 and $15,275	17,676	23,559
Marketable securities	75,604	87,206
Investment in and advances to Alexander's, Inc.	116,230	7,350
Due from officer	8,418	8,418
Accounts receivable, net of allowance for doubtful accounts of $497 and $457	5,153	4,898
Receivable arising from the straight-lining of rents	12,302	11,807
Other assets	13,216	13,173
TOTAL ASSETS	$487,537	$393,538

	MARCH 31, 1995	DECEMBER 31, 1994
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Notes and mortgages payable	$233,963	$234,160
Amounts due under revolving credit facility	60,000	--
Due for U.S. treasury obligations	56,167	34,275
Accounts payable and accrued expenses	7,266	4,275
Deferred leasing fee income	11,457	--
Other liabilities	4,171	4,140
Total liabilities	373,024	276,850
Commitments and contingencies		
Shareholders' equity:		
Preferred shares of beneficial interest: no par value per share; authorized, 1,000,000 shares; issued, none		
Common shares of beneficial interest: $.04 par value per share; authorized, 50,000,000 shares; issued, 21,722,444 and 21,654,285 shares in each period	869	866
Additional capital	199,124	198,184
Retained earnings (deficit)	(79,828)	(79,513)
	120,165	119,537
Unrealized(loss)/gain on securities available for sale	(467)	2,336

Due from officers for purchase of common shares of beneficial interest	(5,185)	(5,185)
Total shareholders' equity	114,513	116,688
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$487,537	$393,538

See notes to consolidated financial statements.

VORNADO REALTY TRUST

CONSOLIDATED STATEMENTS OF INCOME

(amounts in thousands except share amounts)

	FOR THE THREE MONTHS ENDED MARCH 31, 1995	FOR THE THREE MONTHS ENDED MARCH 31, 1994
Revenues:		
Property rentals	$18,972	$17,148
Expense reimbursements	5,539	5,440
Other income (including fee income from related parties of $1,630 and $364)	1,705	439
Total revenues	26,216	23,027
Expenses:		
Operating	7,560	7,410
Depreciation and amortization	2,566	2,396
General and administrative	1,703	1,541
Total expenses	11,829	11,347
Operating income	14,387	11,680
Income/(loss) applicable to Alexander's:		
Equity in (loss)	(141)	--
Depreciation	(52)	--
Interest income on loan	392	--
Interest and dividend income	1,578	1,880
Interest and debt expense	(4,185)	(3,649)
Net (loss)/gain on marketable securities	(142)	193
NET INCOME	$11,837	$10,104
Net Income Per Share	$ .54	$ .46
Weighted average number of common shares and common share equivalents outstanding during period	21,865,515	21,871,341
Dividends per share	$ .56	$ .50

See notes to consolidated financial statements.

VORNADO REALTY TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1995	MARCH 31, 1994
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 11,837	$ 10,104
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization (including debt issuance costs)	2,801	2,615
Straight-lining of rental income	(495)	(500)
Equity in loss of Alexander's, including $52 of depreciation	193	--
Net loss/(gain) on marketable securities	142	(193)
Changes in assets and liabilities:		
Trading securities	19	(339)
Accounts receivable	(255)	(1,129)
Accounts payable and accrued expenses	2,991	(3,019)
Other	(1,193)	655
Net cash provided by operating activities	16,040	8,194
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in and advances to Alexander's	(100,105)	--
Additions to real estate	(4,377)	(3,025)
Proceeds from sale of securities available for sale	12,073	2,207
Net cash (used in) investing activities	(92,409)	(818)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Due for U.S. treasury obligations	21,892	(280)
Proceeds from borrowings	60,000	
Payments on borrowings	(197)	(255)
Dividends paid	(12,152)	(10,863)
Exercise of stock options	943	--
Net cash provided by (used in) financing activities	70,486	(11,398)
Net decrease in cash and cash equivalents	(5,883)	(4,022)
Cash and cash equivalents at beginning of period	23,559	24,119
Cash and cash equivalents at end of period	$ 17,676	$ 20,097
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest	$ 3,578	$ 3,430

During the three months ended March 31, 1995, the unrealized gain on securities available for sale included in shareholders' equity was adjusted to reflect (i) a charge of $3,435 to write-down the Company's investment in Alexander's to cost as a result of adopting the equity method accounting and (ii) a net increase of $632 in the market value of securities available for sale.

See notes to consolidated financial statements.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheet as of March 31, 1995, the consolidated statements of income for the three months ended March 31, 1995 and March 31, 1994 and the consolidated statements of changes in cash flows for the three months ended March 31, 1995 and March 31, 1994 are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows at March 31, 1995 and March 31, 1994 have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's 1994 Annual Report to Shareholders. The results of operations for the period ended March 31, 1995 are not necessarily indicative of the operating results for the full year.

2. RELATED PARTY TRANSACTIONS

Investment in and advances to Alexander's, Inc. ("Alexander's") consists of:

	March 31, 1995	December 31, 1994
Common stock, net of $52,000 of accumulated depreciation of buildings (at fair value) in 1995	$ 59,108,000	$ 5,980,000
Loan receivable	45,000,000	--
Deferred loan origination income	(1,458,000)	--
Leasing fees and other receivables	12,967,000	526,000
Equity in loss since March 2, 1995	(141,000)	--
Deferred expenses	754,000	844,000
	$116,230,000	$ 7,350,000

At December 31, 1994, the Company owned 113,100 shares of Alexander's common stock. The investment was recorded at market value of $5,980,000 at December 31, 1994. On March 2, 1995, the Company purchased all of the 1,353,468 shares, or 27.1% of the common stock of Alexander's owned by Citibank, N.A. ("Citibank") for $40.50 per share in cash or $56,615,000 (including $1,800,000 of costs associated therewith). After the acquisition, the Company owns 29.3% of the common stock of Alexander's. Interstate Properties owns 27.7% of the common shares of the Company and 27.1% of Alexander's common stock. Steven Roth is the Chairman of the Board and Chief Executive Officer of the Company, the managing general partner of Interstate Properties and a Director and Chief Executive Officer of Alexander's. As a result of the increase in its investment, the Company has changed its accounting for its investment in Alexander's to the equity method. This required a reduction of its investment to cost by reducing the unrealized gain recorded in shareholders' equity at December 31, 1994 by $3,435,000. The common stock portion of the investment has been allocated two-thirds to land and one-third to building, in accordance with fair value accounting. The building fair value allocation in excess of Alexander's cost is being depreciated over a 35 year period.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On March 15, 1995, the Company lent Alexander's $45 million, the subordinated tranche of a $75 million secured financing, the balance of which was funded by a bank. The Company's loan has a three-year term and bears interest at 16.43% per annum for the first two years and at a fixed rate for the third year of 992 basis points over the one-year Treasury bill rate. In addition, the Company received a loan origination fee of $1,500,000 from Alexander's to be amortized over the term of the loan. The Company recorded interest income on the loan of $392,000 in the quarter ended March 31, 1995.

On March 2, 1995, the Company and Alexander's entered into a three-year management and development agreement (the "Management Agreement"). The annual fee to the Company (payable in monthly installments) is $3,000,000, plus 6% of development costs with a minimum guaranteed fee for the development portion of $1,650,000 in the first year and $750,000 in each of the second and third years.

The fee pursuant to the Management Agreement is in addition to the leasing fee the Company receives from Alexander's under the leasing agreement (the "Leasing Agreement") which has been in effect since 1992. Subject to the payment of rents by Alexander's tenants, the Company is due $12,255,000, receivable annually in an amount not to exceed $2,500,000, until the present value of such installments (calculated at a discount rate of 9% per annum) equals the amount that would have been paid had it been paid on September 21, 1993, or at the time the transactions which gave rise to the commissions occurred, if later. The term of the leasing agreement has been extended to be coterminous with the term of the Management Agreement.

Effective March 2, 1995, for a three-year period, the Company and Interstate agreed not to own in excess of two-thirds of Alexander's common stock or to enter into certain other transactions with Alexander's, other than the transactions described above, without the consent of Alexander's independent directors.

Fee income from related parties (included in Other income) consists of:

	Three Months Ended	
	March 31, 1995	March 31, 1994
Management fees from Interstate Properties	$ 194,000	$239,000
Management fees from Alexander's	388,000	--
Leasing fees from Alexander's, net	1,048,000	--
Expense reimbursement from Alexander's	--	125,000
	$1,630,000	$364,000

The unaudited proforma information set forth below presents the condensed statement of income for the Company for the first quarter of this year and last year, as if on January 1, 1994, the investment in Alexander's and related agreements were consummated and 1,880,000 shares of beneficial interest of the Company were issued to partially fund the investment.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Proforma Three Months Ended	
	March 31, 1995	March 31, 1994
Revenues	$26,086,000	$24,288,000
Expenses	11,829,000	11,347,000
Operating income	14,257,000	12,941,000
Income/(loss) applicable to Alexander's:		
Equity in (loss)	(989,000)	(473,000)
Depreciation	(156,000)	(156,000)
Interest income on loan	1,974,000	1,974,000
Interest and dividend income	946,000	1,128,000
Interest and debt expense	(3,813,000)	(3,649,000)
Net (loss)/gain on marketable securities	(142,000)	193,000
Net income	$ 12,077,000	$ 11,958,000
Net income per share	$ .51	$ .50

3. UNSECURED REVOLVING CREDIT FACILITY

On February 27, 1995, the Company entered into a three-year unsecured revolving credit facility with a bank providing for borrowings of up to $75,000,000. Borrowings bear annual interest, at the Company's election, at LIBOR plus 1.50% or the higher of the federal funds rate plus 1% or prime rate plus .50%.

The facility contains customary loan covenants including, among others, limits on total outstanding indebtedness; maximum loan to value ratios; minimum debt service coverage, funds from operations, and equity requirements and a negative pledge with respect to certain unencumbered assets. At March 31, 1995, the balance outstanding under the facility was $60,000,000 bearing interest at 7.63% and was repaid on May 3, 1995 (see Note 4).

4. SUBSEQUENT EVENT

On May 3, 1995, the Company completed the sale of 2,500,000 common shares in a public offering at $34.00 per share, which net of expenses yielded approximately $80,000,000, of which $60,000,000 was used to repay the indebtedness incurred under the revolving credit facility in connection with the Alexander's investment.

VORNADO REALTY TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Funds from operations improved to $13,419,000 in the quarter ended March 31, 1995, from $11,749,000 in the quarter ended March 31, 1994, an increase of $1,670,000 or 14.2%. The following table reconciles funds from operations and net income:

	Three Months Ended	
	March 31, 1995	March 31, 1994
Net income	$11,837,000	$10,104,000
Depreciation and amortization of real property	2,487,000	2,230,000
Straight-lining of property rentals	(495,000)	(500,000)
Excess of leasing fees recognized as income (due prior to December 31, 1995) over amounts received	(798,000)	--
Loss/(gain) on sale of securities available for sale	360,000	(85,000)
Proportionate share of adjustments to Alexander's loss to arrive at funds from operations	28,000	--
Funds from operations *	$13,419,000	$11,749,000

* Effective January 1, 1995, the Company changed its definition of funds from operations to exclude amortization of debt issuance costs and depreciation of personal property. Prior period amounts have been restated to conform to the current year's presentation.

Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs. Funds from operations should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity. Nonetheless, management considers funds from operations an appropriate supplemental measure of the Company's operating performance.

The Company's revenues, which consist of property rentals, tenant expense reimbursements and other income were $26,216,000 in the quarter ended March 31, 1995, compared to $23,027,000 in the prior year's quarter, an increase of 3,189,000 or 13.8%.

Property rentals were $18,972,000 in the quarter ended March 31, 1995, compared to $17,148,000 in the prior year's quarter, an increase of $1,824,000 or 10.6%. This increase resulted from (i) rents from expansions of shopping centers of $728,000, (ii) rents from recent acquisitions of retail properties of $596,000, (iii) step-ups in leases which are not subject to the straight-line method of revenue recognition of $440,000 and (iv) property rentals received from new tenants in excess of property rentals lost from vacating tenants of $60,000.

Tenant expense reimbursements for the quarter ended March 31, 1995, did not change significantly from the prior year's quarter.

VORNADO REALTY TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Other income was $1,705,000 for the quarter ended March 31, 1995, compared to $439,000 in the prior year's quarter, an increase of $1,266,000. This increase resulted from the fee income recognized in connection with the Management Agreement and Leasing Agreement with Alexander's.

Operating expenses for the quarter ended March 31, 1995, did not change significantly from the prior year's quarter.

Depreciation and amortization expense increased in 1995 as compared to 1994, primarily as a result of the completion of property expansions in the fourth quarter of 1994.

General and administrative expenses increased by $162,000 to $1,703,000 in the quarter ended March 31, 1995, compared to $1,541,000 in the prior year's quarter. This increase resulted primarily from higher payroll and fringe benefits.

Investment income (interest and dividend income and net gains/(losses) on marketable securities) was $1,436,000 for the quarter ended March 31, 1995, compared to $2,073,000 in the prior year's quarter, a decrease of $637,000 or 30.7%. The decrease resulted from a loss on the sale of marketable securities of $360,000 and lower average investments due to the investment in Alexander's.

Interest and debt expense was $4,185,000 in the quarter ended March 31, 1995, as compared to $3,649,000 in the prior year's quarter, an increase of $536,000 or 14.7%. Of this increase $372,000 resulted from borrowings under the revolving credit facility due to the investment in Alexander's and $154,000 resulted from a decrease in interest capitalized during construction.

The Company operates in a manner intended to enable it to qualify as a real estate investment trust ("REIT") under Sections 856-860 of the Internal Revenue Code of 1986 as amended (the "Code"). Under those sections, a real estate investment trust which distributes at least 95% of its REIT taxable income to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income which is distributed to its shareholders. The Company has distributed to its shareholders an amount greater than its taxable income. Therefore, no provision for federal income taxes is required.

LIQUIDITY AND CAPITAL RESOURCES

On March 31, 1995, the Company had Liquid Investments (cash and cash equivalents, marketable securities, excluding unrealized (losses)/gains on securities available for sale, net of amounts due for U.S. treasury obligations) of $37,600,000 compared to $77,600,000 at December 31, 1994, a decrease of $40,000,000. The decrease in Liquid Investments resulted primarily from (i) investment in and advances to Alexander's of $100,100,000, (ii) dividends paid to shareholders of $12,200,000 and (iii) capital expenditures of $4,400,000, exceeding net cash provided from operating activities of $16,000,000 and proceeds from borrowings under the revolving credit facility of $60,000,000.

VORNADO REALTY TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On March 2, 1995, the Company purchased all of the 1,353,468 shares, or 27.1%, of the common stock of Alexander's owned by Citibank for $40.50 per share in cash or $56,615,000 (including $1,800,000 of costs associated therewith). After the acquisition, the Company owns 29.3% of the common stock of Alexander's.

On March 15, 1995, the Company lent Alexander's $45 million. The Company's loan has a three-year term and bears interest at 16.43% per annum for the first two years and at a fixed rate for the third year of 992 basis points over the one-year Treasury bill rate. In addition, Vornado received a loan origination fee of $1,500,000.

On February 27, 1995, the Company entered into a three-year unsecured revolving credit facility with a bank providing for borrowings of up to $75,000,000. Borrowings bear annual interest, at the Company's election, at LIBOR plus 1.50% or the higher of the federal funds rate plus 1% or prime rate plus .50%. At March 31, 1995, the Company had borrowed $60,000,000 under the agreement. On May 3, 1995, the Company completed the sale of 2,500,000 common shares in a public offering at $34.00 per share, which net of expenses yielded approximately $80,000,000 of which $60,000,000 was used to repay the indebtedness incurred under the revolving credit facility in connection with the Alexander's investment.

The Company anticipates that cash from continuing operations, working capital, borrowings under its revolving credit facility and/or proceeds from the issuance of securities under the Company's shelf registration statement will be adequate to fund its business operations, capital expenditures, continuing debt obligations and the payment of dividends.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits: The following exhibits are filed with this Quarterly Report on Form 10-Q.

11 Statement Re Computation of Per Share Earnings.

27 Financial Data Schedule

(b) Reports on Form 8-K

During the quarter ended March 31, 1995, Vornado Realty Trust filed the report on Form 8-K described below.

Period Covered: (Date of Earliest Event Reported)	Items Reported	Date of Report
February 6, 1995	5. Other events - re: Alexander's Inc.	February 6, 1995

VORNADO REALTY TRUST

SIGNATURES

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

VORNADO REALTY TRUST

(Registrant)

Date: May 8, 1995

/s/ Joseph Macnow

JOSEPH MACNOW
Vice President - Chief Financial
Officer and Chief Accounting Officer

VORNADO REALTY TRUST

EXHIBIT INDEX

EXHIBIT 11

VORNADO REALTY TRUST

STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1995	MARCH 31, 1994
Weighted average number of common shares outstanding	21,686,059	21,603,266
Common share equivalents for options after applying treasury stock method	179,456	268,075
Weighted average number of common shares and common share equivalents outstanding	21,865,515	21,871,341
Net income	$11,837,000	$10,104,000
Net income per share	$ .54	$ .46

This schedule contains summary financial information extracted from the
Company's unaudited financial statements for the three months ended March 31,
1995 and is qualified in its entirety by reference to such financial statements.

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3-MOS
DEC-31-1995
JAN-01-1995
MAR-31-1995
17,676
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370,208
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