

25 September 2006

Sydney

Level 41, Aurora Place
88 Phillip Street
Sydney NSW 2000 Australia
GPO Box 3698
Sydney NSW 2001
www.challenger.com.au

Telephone 02 9994 7000
Facsimile 02 9994 7777

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By electronic lodgement

Dear Sir

Re: Notice of initial substantial holder~ Reckson New York Property Trust (RNY)

We enclose notice of initial substantial holder in Reckson New York Property Trust. This notice is given by Challenger Financial Services Group Limited and each of its subsidiaries named in Annexure 1 to this notice.

Yours faithfully



Chris Robson
Company Secretary

attach

Melbourne Level 10, 101 Collins Street PO Box 297, Flinders Lane, Melbourne VIC 3000 Telephone 03 8616 1800 Facsimile 03 8616 1899
Brisbane Level 9, CUA Building 175 Eagle Street GPO Box 3234, Brisbane QLD 4001 Telephone 07 3218 8000 Facsimile 07 3220 3132
Perth Level 3, 55 St Georges Terrace PO Box Z6065, St Georges Terrace, Perth WA 6831 Telephone 08 9223 7800 Facsimile 08 9221 2499
Adelaide Level 1, 212 Pirie Street Adelaide SA 5000 Telephone 08 8211 7777 Facsimile 08 8212 1661

Challenger Financial Services Group Limited ABN 85 106 842 371 Challenger Group Services Pty Limited ABN 81 095 657 307
Challenger Life No.2 Limited ABN 44 072 488 838 AFSL 234670 Challenger Commercial Lending Limited ABN 66 000 033 143
Challenger Managed Investments Limited ABN 94 002 835 592 AFSL 234668 RSE Lic. No. L0002987
Challenger Listed Investments Limited ABN 94 055 293 644 AFSL 236 887 CIF Investment Trust 1 ARSN 114 139 703 CIF Investment Trust 2 ARSN 114 139 632
Challenger Wine Trust ARSN 092 960 060 Challenger Management Services Limited ABN 29 092 382 842

3233/CG045/0305

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme **Reckson New York Property Trust**
ACN/ARSN **115 585 709**

1. Details of substantial holder (1)

Name **Challenger Financial Services Group Limited (and entities listed in Annexure 1)**
ACN/ARSN (if applicable) **106 842 371**

The holder became a substantial holder on 22/09/2006

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary Fully Paid Units	14,416,137	14,416,137	5.47%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
See Annexure 2	The relevant interest arises by Challenger Financial Services Group Limited and the entities listed in Annexure 1.	See Annexure 2

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Challenger Financial Services Group Limited and each other entity named in Annexure 1	BNP Paribas Securities Services	BNP Paribas Securities Services	6,228,608 (Ordinary fully paid units)
As above	JP Morgan Nominees Australia Ltd	JP Morgan Nominees Australia Ltd	3,641,242 (Ordinary fully paid units)
As above	State Street Australia Ltd	State Street Australia Ltd	4,546,287 (Ordinary fully paid units)

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
See Annexure 1	See Annexure 2	See		See Annexure 2
		Annexure 2		

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Annexure 1	See Annexure 1

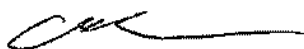
7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Challenger Financial Services Group Limited and each entity named in Annexure 1	Level 41, Aurora Place, 88 Phillip Street, Sydney

Signatureprint name **Chris Robson**capacity **Company Secretary**

sign here

date **25/09/2006**

Annexure 1

This is page 1 of 3 pages of Annexure 1 referred to in Form 603 signed by me and dated 25/09/2006

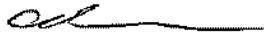


Chris Robson
Company Secretary

Company/Scheme	ABN/ARSN
Challenger Financial Services Group Limited	85 106 842 371
Allfine Holdings Pty Ltd	84 100 231 918
Associated Planners Financial Services Pty Limited	38 097 451 495
Associated Planners Strategic Finance Pty Limited	86 003 688 060
Beston Financial Management Pty Limited	64 081 985 088
Beston Pacific Vineyard Management Limited	35 079 882 161
Bluezen Pty Ltd	94 100 220 175
Cascade Pty Limited	76 096 097 399
CFSG Holdings No.2 Victoria Pty Limited	107 601 605
Challenger Capital Markets Limited	38 099 742 122
Challenger Commercial Lending Limited	65 000 033 143
Challenger Corporate Superannuation Pty Limited	37 097 635 366
Challenger Diversified property Development Pty Limited	121 624 833
Challenger Equity Lending Limited	26 079 047 804
Challenger Financial Services Group	091 545 185
Challenger Freeholds Limited	26 009 568 487
Challenger Funds Management (Nominees) Pty Limited	008 579 020
Challenger Group Holdings Limited	50 002 993 302
Challenger Group Pty Limited	85 003 374 196
Challenger Group Services Pty. Ltd.	91 085 657 307
Challenger Hedging Limited	38 087 464 131
Challenger International Nominees Limited	70 003 942 765
Challenger Inventory Finance Pty Ltd	095 085 466
Challenger Inventory Finance Servicing Pty Limited	36 107 706 810
Challenger Lending No.1 Pty. Limited	70 085 447 865
Challenger Life Holdings Pty Limited	85 080 036 657
Challenger Life No.2 Limited	44 072 486 938
Challenger Life Pty Limited	60 006 381 193
Challenger Listed Investments Limited	94 055 293 644
Challenger Managed Investments Limited	94 002 835 592
Challenger Managed Investments (International) Pty Ltd	120 871 212
Challenger Management Services Limited	29 092 382 842
Challenger Margin Lending Limited	47 091 338 822
Challenger ML Nominees Pty Limited	79 008 411 943
Challenger Portfolio Management Limited	29 064 545 124
Challenger Property Asset Management Pty Ltd	90 077 569 021
Challenger Property Capital Limited	36 078 326 128
Challenger Property Finance Limited	72 093 308 028
Challenger Property Funds Management Limited	34 078 627 013
Challenger Property Nominees Pty Limited	39 091 336 793

Annexure 1

This is page 2 of 3 pages of Annexure 1 referred to in Form 603 signed by me and dated 25/09/2006

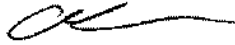


Chris Robson
Company Secretary

Company/Scheme	ABN/ARSN
Challenger Strategic Capital Pty Limited	116 411 388
Challenger Superannuation Pty Ltd	52 006 475 501
Challenger Treasury Limited	47 093 307 996
Challenger US Infrastructure Holdings Pty Ltd	117 401 519
Challenger Wealth Management Pty Limited	107 728 030
Challenger Wholesale Finance Holdings Pty Limited	57 095 300 502
CPHIC Investments Pty Ltd	95 093 340 526
CSPP1 Investment Company 1 Pty Limited	120 463 023
eFinancial Capital Limited	58 089 796 798
Endowment Warrants Limited	45 009 568 503
FXF Finance Pty Ltd	080 419 521
FXF Holdings Pty Ltd	080 419 512
FXF Investments Pty Ltd	080 149 549
Galaxy Investment Wrap Pty Ltd	102 597 946
Garrisons Pty Limited	50 009 556 370
Genesys Group Limited	003 357 024
Genesys Wealth Advisers Limited	060 778 216
Genesys Wealth Advisers (WA) Pty Limited	84 104 441 947
HFH Staff Pty Limited	33 080 225 985
Howard Pacific Pty Limited	54 071 735 665
Inexus Australian Holdings Company Limited	115 840 661
Interstar Home Loan Corporation Pty Limited	058 891 302
Interstar Mortgage Management Pty Limited	17 082 014 702
Interstar Non-Conforming Finance Management Pty Ltd	107 707 406
Interstar Non-Conforming Finance Pty Ltd	32 107 725 486
Interstar Securities (International) Pty Limited	087 271 225
Interstar Securities (NZ) Pty Ltd	087 217 136
Interstar Securitisation Management Pty Limited	56 100 346 898
Interstar Special Servicing Pty Ltd	77 107 707 415
Interstar Wholesale Finance Holdings Pty Limited	087 284 240
Interstar Wholesale Finance Pty Limited	72 087 271 109
Mawbury Pty Limited	95 096 097 479
Northstar Lending Pty Ltd	057 707 687
Solar Risk Pty Limited	26 092 265 373
Synergy Capital Management Limited	19 062 264 108
Talavera Herring Pty Limited	34 086 088 984
The Liberty Group Consortium Pty Ltd	79 082 564 289
TLG Services Pty Limited	20 092 500 608
TLGH Pty Limited	85 092 927 467

Annexure 1

This is page 3 of 3 pages of Annexure 1 referred to in Form 603 signed by me and dated 25/09/2006



Chris Robson
Company Secretary

Overseas Companies	
Challenger International (New Zealand) Limited	
Challenger Securities (New Zealand) Limited	
Sabrand Limited	
Challenger Hungary International Capital and Management Limited Liability Company	
Challenger REIT Number 1 Limited	
Challenger Milk Street LLC	
Challenger South Monaco LLC (US)	
Challenger Las Cimas LLC	
Challenger Life (UK) Limited	
Challenger Group Services (UK) Limited	
Interstar Home Loan Corporation NZ Limited	
Interstar Securities NZ Limited	
ZCM Australia Asset Holdings Limited	

Annexure 2

This is page 1 of 1 page of Annexure 2 referred to in Form 603 signed by me and dated 25/09/2006



Chris Robson

Transactions of units fully paid:

Date of Change	Holder of relevant interest	Nature of Change	Consideration	Number of securities	Person's Votes Affected
19/09/2006	Challenger Financial Services Group Limited (the entities listed in Annexure 1)	Placemer	2,400,118.00	2,400,118	2,400,118
19/09/2006	As above	Placemer	4,546,287.00	4,546,287	4,546,287
19/09/2006	As above	Placemer	3,495,640.00	3,495,640	3,495,640
19/09/2006	As above	Placemer	609,073.00	609,073	609,073
19/09/2006	As above	Placemer	600,000.00	600,000	600,000
22/09/2006	As above	Buy	2240709.23	2,123,895	2,123,895
22/09/2006	As above	Buy	675,031.45	641,124	641,124