

MATHRANI SANDEEP
 Form 4
 September 18, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MATHRANI SANDEEP

2. Issuer Name and Ticker or Trading Symbol
**VORNADO REALTY TRUST
 [VNO]**

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
888 SEVENTH AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/17/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP - Retail Division

NEW YORK, NY 10019
 (City) (State) (Zip)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership: Indirect Beneficial Ownership (Instr. 4)
				Code V	Amount	(A) or (D)	Price
Common Shares	09/17/2008		M	A	\$ 6,712	D	35,249 ⁽¹⁾ 70.2986
Common Shares	09/17/2008		M	A	\$ 179	D	35,428 ⁽¹⁾ 41.4443
Common Shares	09/17/2008		S	D	\$ 6,891	D	28,537 \$ 91.85

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Options (Right to Buy)	\$ 70.2986	09/17/2008		M	6,712	02/08/2006 02/08/2015	Common Shares	6,712
Options (Right to Buy)	\$ 41.4443	09/17/2008		M	179	03/05/2003 03/05/2012	Common Shares	179

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MATHRANI SANDEEP 888 SEVENTH AVENUE NEW YORK, NY 10019			EVP - Retail Division	

Signatures

/s/ Alan Rice, Attorney
in Fact 09/18/2008

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

12,881 of these Common Shares were issued as restricted stock and remain unvested under the terms of the Vornado Realty Trust 2002 Omnibus Share plan (the "Plan"). Of these 12,881 Common Shares, (i) 6,756 Common Shares of restricted stock remain to vest in January of 2009 and (ii) 6,125 Common Shares of restricted stock remain to vest in January of 2010.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.