

VORNADO REALTY TRUST
 Form 4
 April 28, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
KENNEDY CHRISTOPHER

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)
222 MERCHANDISE MART PLAZA, SUITE 470
 (Street)
CHICAGO, IL 60654
 (City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)
04/25/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President - Merchandise Mart

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction of Derivative | 5. Number | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities | 8. Pr |
|------------------------|---------------|--------------------------------------|-------------------------------|------------------------------|-----------|---|--|-------|
|------------------------|---------------|--------------------------------------|-------------------------------|------------------------------|-----------|---|--|-------|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | | |
|---------------------------------|--|----------------------|-----------------|---|------------------|------------------|------------------|-----------------|---------------|----------------------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Restricted Units ⁽¹⁾ | <u>(1)</u> | 04/25/2006 | A | | 1,558 | | <u>(2)</u> | <u>(2)</u> | Common Shares | 1,558 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KENNEDY CHRISTOPHER 222 MERCHANDISE MART PLAZA SUITE 470 CHICAGO, IL 60654 | | | President - Merchandise Mart | |

Signatures

/s/ Christopher G. Kennedy
 Date: 04/28/2006
 **Signature of Reporting Person

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).
- On April 25, 2006, the reporting person received a grant of restricted units of Vornado Realty L.P. (the "Operating Partnership"), the operating partnership of Vornado Realty Trust (the "Company"). The restricted units are a new class of units of the Operating Partnership
- (1) that are convertible by the holder, upon vesting, into an equivalent number of Class A Units of the Operating Partnership, which are redeemable by the holder for Common Shares of the Company on a one-for-one basis or the cash value of such shares, at the Company's option.
 - (2) Restricted Units vest in equal portions over a five year period with the initial vesting occurring in April 2007.

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.