UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(Mark one)

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

For the quarterly period ended: **June 30, 2018**

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: **001-06064**

ALEXANDER'S, INC.
(Exact name of registrant as specified in its charter)

Delaware	**51-0100517**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
210 Route 4 East, Paramus, New Jersey	**07652**
(Address of principal executive offices)	(Zip Code)

(201) 587-8541
(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. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☑Large Accelerated Filer	☐Accelerated Filer
☐Non-Accelerated Filer (Do not check if smaller reporting company)	☐Smaller Reporting Company
	☐Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

As of July 27, 2018, there were 5,107,290 shares of common stock, par value $1 per share, outstanding.

ALEXANDER'S, INC.
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PART I. FINANCIAL INFORMATION
Item 1. ***Financial Statements***

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(Amounts in thousands, except share and per share amounts)

ASSETS	June 30, 2018	December 31, 2017
Real estate, at cost:		
Land	$ 44,971	$ 44,971
Buildings and leasehold improvements	976,342	988,846
Development and construction in progress	3,695	3,551
Total	1,025,008	1,037,368
Accumulated depreciation and amortization	(283,885)	(283,044)
Real estate, net	741,123	754,324
Cash and cash equivalents	293,840	307,536
Restricted cash	6,243	85,743
Rego Park II loan participation	197,018	198,537
Marketable securities	30,419	35,156
Tenant and other receivables, net of allowance for doubtful accounts of $1,433 and $1,501, respectively	3,022	2,693
Receivable arising from the straight-lining of rents	172,675	174,713
Deferred leasing costs, net, including unamortized leasing fees to Vornado of $33,108 and $35,152, respectively	43,234	45,790
Other assets	36,683	27,903
	$ 1,524,257	$ 1,632,395
LIABILITIES AND EQUITY		
Mortgages payable, net of deferred debt issuance costs	$ 1,162,632	$ 1,240,222
Amounts due to Vornado	434	2,490
Accounts payable and accrued expenses	41,873	42,827
Other liabilities	13,147	2,901
Total liabilities	1,218,086	1,288,440
Commitments and contingencies		
Preferred stock: $1.00 par value per share; authorized, 3,000,000 shares; issued and outstanding, none	—	—
Common stock: $1.00 par value per share; authorized, 10,000,000 shares; issued, 5,173,450 shares; outstanding, 5,107,290 shares	5,173	5,173
Additional capital	31,971	31,577
Retained earnings	269,525	302,543
Accumulated other comprehensive (loss) income	(130)	5,030
	306,539	344,323
Treasury stock: 66,160 shares, at cost	(368)	(368)
Total equity	306,171	343,955
	$ 1,524,257	$ 1,632,395

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(Amounts in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
REVENUES				
Property rentals	$ 38,618	$ 38,264	$ 76,859	$ 76,537
Expense reimbursements	19,635	18,926	39,274	37,882
Total revenues	58,253	57,190	116,133	114,419
EXPENSES				
Operating, including fees to Vornado of $1,109, $1,091, $2,275 and $2,219, respectively	21,511	20,744	43,788	41,665
Depreciation and amortization	8,700	8,138	16,983	16,183
General and administrative, including management fees to Vornado of $595 and $1,190 in each three and six month period, respectively	1,689	1,696	2,950	2,852
Total expenses	31,900	30,578	63,721	60,700
OPERATING INCOME	26,353	26,612	52,412	53,719
Interest and other income, net	1,730	1,297	4,768	2,024
Interest and debt expense	(10,945)	(7,255)	(20,774)	(13,415)
Change in fair value of marketable securities (see Note 7)	433	—	(4,737)	—
Income before income taxes	17,571	20,654	31,669	42,328
Income tax (expense) benefit	(1)	6	(2)	(1)
Income from continuing operations	17,570	20,660	31,667	42,327
Loss from discontinued operations (see Note 8)	—	—	(23,797)	—
Net income	$ 17,570	$ 20,660	$ 7,870	$ 42,327
Income per common share – basic and diluted:				
Income from continuing operations	$ 3.43	$ 4.04	$ 6.19	$ 8.28
Loss from discontinued operations (see Note 8)	—	—	(4.65)	—
Net income per common share	$ 3.43	$ 4.04	$ 1.54	$ 8.28
Weighted average shares outstanding	5,116,657	5,115,320	5,116,321	5,115,012
Dividends per common share	$ 4.50	$ 4.25	$ 9.00	$ 8.50

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Net income	$ 17,570	$ 20,660	$ 7,870	$ 42,327
Other comprehensive loss:				
Change in fair value of marketable securities (see Note 7)	—	(3,394)	—	(6,841)
Change in fair value of interest rate cap	(52)	(112)	(4)	(56)
Comprehensive income	$ 17,518	$ 17,154	$ 7,866	$ 35,430

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)
(Amounts in thousands)

	Common Stock						
	Shares	**Amount**	**Additional Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Income (Loss)**	**Treasury Stock**	**Total Equity**
Balance, December 31, 2016	5,173	$ 5,173	$ 31,189	$ 308,995	$ 7,862	$ (374)	$ 352,845
Net income	—	—	—	42,327	—	—	42,327
Dividends paid	—	—	—	(43,474)	—	—	(43,474)
Change in fair value of marketable securities	—	—	—	—	(6,841)	—	(6,841)
Change in fair value of interest rate cap	—	—	—	—	(56)	—	(56)
Deferred stock unit grants	—	—	394	—	—	—	394
Other	—	—	(6)	—	—	6	—
Balance, June 30, 2017	5,173	$ 5,173	$ 31,577	$ 307,848	$ 965	$ (368)	$ 345,195
Balance, December 31, 2017	5,173	$ 5,173	$ 31,577	$ 302,543	$ 5,030	$ (368)	$ 343,955
Net income	—	—	—	7,870	—	—	7,870
Dividends paid	—	—	—	(46,044)	—	—	(46,044)
Cumulative effect of change in accounting principle (see Note 3)	—	—	—	5,156	(5,156)	—	—
Change in fair value of interest rate cap	—	—	—	—	(4)	—	(4)
Deferred stock unit grants	—	—	394	—	—	—	394
Balance, June 30, 2018	5,173	$ 5,173	$ 31,971	$ 269,525	$ (130)	$ (368)	$ 306,171

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Amounts in thousands)

	Six Months Ended June 30,	
CASH FLOWS FROM OPERATING ACTIVITIES	**2018**	**2017**
Net income	$ 7,870	$ 42,327
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including amortization of debt issuance costs	19,740	17,334
Straight-lining of rental income	2,038	2,149
Stock-based compensation	394	394
Change in fair value of marketable securities (see Note 7)	4,737	—
Changes in operating assets and liabilities:		
Tenant and other receivables, net	(329)	280
Other assets	(8,785)	(26,191)
Amounts due to Vornado	(2,064)	(319)
Accounts payable and accrued expenses	(382)	(155)
Other liabilities	10,246	(14)
Net cash provided by operating activities	33,465	35,805
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction in progress and real estate additions	(1,789)	(2,205)
Principal repayment proceeds from Rego Park II loan participation	1,519	—
Net cash used in investing activities	(270)	(2,205)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt repayments	(158,452)	(301,819)
Proceeds from borrowing	78,246	500,000
Dividends paid	(46,044)	(43,474)
Debt issuance costs	(141)	(11,962)
Net cash (used in) provided by financing activities	(126,391)	142,745
Net (decrease) increase in cash and cash equivalents and restricted cash	(93,196)	176,345
Cash and cash equivalents and restricted cash at beginning of period	393,279	374,678
Cash and cash equivalents and restricted cash at end of period	$ 300,083	$ 551,023
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents at beginning of period	$ 307,536	$ 288,926
Restricted cash at beginning of period	85,743	85,752
Cash and cash equivalents and restricted cash at beginning of period	$ 393,279	$ 374,678
Cash and cash equivalents at end of period	$ 293,840	$ 466,456
Restricted cash at end of period	6,243	84,567
Cash and cash equivalents and restricted cash at end of period	$ 300,083	$ 551,023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	$ 17,782	$ 11,758
NON-CASH TRANSACTIONS		
Liability for real estate additions, including $29 and $27 for development fees due to Vornado in 2018 and 2017, respectively	$ 209	$ 115
Write-off of fully amortized and/or depreciated assets	13,742	4,265

See notes to consolidated financial statements (unaudited).

1. Organization

Alexander's, Inc. (NYSE: ALX) is a real estate investment trust ("REIT"), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to "we," "us," "our," "Company" and "Alexander's" refer to Alexander's, Inc. and its consolidated subsidiaries. We are managed by, and our properties are leased and developed by, Vornado Realty Trust ("Vornado") (NYSE: VNO). We have seven properties in the greater New York City metropolitan area.

2. Basis of Presentation

The accompanying consolidated financial statements are unaudited and include the accounts of Alexander's and its consolidated subsidiaries. All intercompany amounts have been eliminated. In our opinion, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted. These condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission (the "SEC") and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC.

We have made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the operating results for the full year.

We operate in one reportable segment.

3. Recently Issued Accounting Literature

In May 2014, the Financial Accounting Standards Board ("FASB") issued an update ("ASU 2014-09") establishing Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). ASU 2014-09, as amended by subsequent ASUs on the topic, establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard, which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2017, requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures (see Note 4). We adopted this standard effective January 1, 2018 using the modified retrospective approach, which allows us to apply the new standard to all existing contracts not yet completed as of the effective date and record a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The adoption of this standard did not have a material impact on our consolidated financial statements.

In January 2016, the FASB issued an update ("ASU 2016-01") *Recognition and Measurement of Financial Assets and Financial Liabilities* to ASC Topic 825, *Financial Instruments* ("ASC 825"). ASU 2016-01 amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017. We adopted this update effective January 1, 2018 using the modified retrospective approach. While the adoption of this update requires us to continue to measure "marketable securities" at fair value at each reporting date, the changes in fair value will be recognized in current period earnings as opposed to "other comprehensive loss." As a result, on January 1, 2018 we recorded an increase to retained earnings of $5,156,000 to recognize the unrealized gains previously recorded within "accumulated other comprehensive (loss) income." For the three months ended June 30, 2018 we recorded an increase in the fair value of our marketable securities of $433,000, resulting from The Macerich Company's ("Macerich") closing share price of $56.83 as of June 30, 2018, compared to $56.02 as of March 31, 2018. For the six months ended June 30, 2018 we recorded a decrease in the fair value of our marketable securities of $4,737,000, resulting from Macerich's closing share price of $56.83 as of June 30, 2018, compared to $65.68 as of December 31, 2017.

3. Recently Issued Accounting Literature - continued

In February 2016, the FASB issued an update ("ASU 2016-02") establishing ASC Topic 842, *Leases*, as amended by subsequent ASUs on the topic, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. ASU 2016-02 requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase. Lessees are required to record a right-of-use asset and a lease liability for all leases with a term greater than 12 months. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. Lessees will recognize expense based on the effective interest method for finance leases or on a straight-line basis for operating leases. The accounting applied by the lessor is largely unchanged from that applied under the existing lease standard. We are currently evaluating the overall impact of the adoption of ASU 2016-02 on our consolidated financial statements and believe that the standard will more significantly impact the accounting for leases in which we are a lessee. We will be required to record a right-of-use asset and lease liability for our Flushing property ground lease, equal to the present value of the remaining minimum lease payments, and will continue to recognize expense on a straight-line basis upon adoption of this standard. ASU 2016-02 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2018, with early adoption permitted. We will adopt this standard effective January 1, 2019 and will elect to use the practical expedients provided by this standard.

In February 2017, the FASB issued an update ("ASU 2017-05") *Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets* to ASC Subtopic 610-20, *Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets*. ASU 2017-05 clarifies the scope of recently established guidance on nonfinancial asset derecognition, as well as the accounting for partial sales of nonfinancial assets. This update conforms the derecognition guidance on nonfinancial assets with the model for transactions in ASC 606. ASU 2017-05 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017. We adopted this update effective January 1, 2018 using the modified retrospective approach to all contracts not yet completed. The adoption of this update did not have a material impact on our consolidated financial statements.

In August 2017, the FASB issued an update ("ASU 2017-12") *Targeted Improvements to Accounting for Hedging Activities* to ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). ASU 2017-12 amends the hedge accounting recognition and presentation requirements in ASC 815. The update is intended to more closely align hedge accounting with companies' risk management strategies, simplify the application of hedge accounting and increase transparency as to the scope and results of hedge programs. The update ASU 2017-12 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2018, with early adoption permitted. We elected to early adopt ASU 2017-12 effective January 1, 2018 using the modified retrospective approach. The adoption of this update did not have a material impact on our consolidated financial statements.

4. Revenue Recognition

Our revenues consist of property rentals and expense reimbursements. We have the following revenue sources and revenue recognition policies:

- Base Rent is revenue arising from tenant leases. These rents are recognized over the non-cancelable term of the related leases on a straight-line basis, which includes the effects of rent steps and rent abatements. We commence rental revenue recognition when the tenant takes possession of the leased space and the leased space is substantially ready for its intended use. In addition, in circumstances where we provide a tenant improvement allowance for improvements that are owned by the tenant, we recognize the allowance as a reduction of rental revenue on a straight-line basis over the term of the lease.
- Percentage Rent is revenue arising from retail tenant leases that is contingent upon the sales of tenants exceeding defined thresholds. These rents are recognized only after the contingency has been removed (i.e., when tenant sales thresholds have been achieved).
- Parking Revenue arising from the rental of parking spaces at our properties. This income is recognized as the services are provided.
- Operating Expense Reimbursements is revenue arising from tenant leases which provide for the recovery of all or a portion of the operating expenses and real estate taxes of our properties. Revenue is recognized in the same period as the related expenses are incurred.
- Tenant Services is revenue arising from sub-metered electric, elevator and other services provided to tenants at their request. This revenue is recognized as the services are transferred.

Parking revenue and tenant services income represent revenue recognized from contracts with customers and are recognized in accordance with ASC 606. Base rent, percentage rent and operating expense reimbursements are recognized in accordance with ASC Topic 840, *Leases.*

The following is a summary of revenue sources for the three and six months ended June 30, 2018 and 2017.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(Amounts in thousands)	**2018**	**2017**	**2018**	**2017**
Base rent	$ 37,210	$ 36,751	$ 73,910	$ 73,413
Percentage rent	—	(34)	234	163
Parking revenue	1,408	1,547	2,715	2,961
Property rentals	38,618	38,264	76,859	76,537
Operating expense reimbursements	18,696	17,830	37,376	35,850
Tenant services	939	1,096	1,898	2,032
Expense reimbursements	19,635	18,926	39,274	37,882
Total revenues	$ 58,253	$ 57,190	$ 116,133	$ 114,419

5. Rego Park II Loan Participation

On July 28, 2017, we entered into a participation and servicing agreement with the lender on our Rego Park II shopping center loan, which matures on November 30, 2018. We paid $200,000,000 to participate in the loan and are entitled to interest of LIBOR plus 1.60% (3.69% as of June 30, 2018). The investment is presented as "Rego Park II loan participation" on our consolidated balance sheets as of June 30, 2018 and December 31, 2017, and interest earned is recognized as "interest and other income, net" in our consolidated statements of income for the three and six months ended June 30, 2018.

6. Related Party Transactions

Vornado

As of June 30, 2018, Vornado owned 32.4% of our outstanding common stock. We are managed by, and our properties are leased and developed by, Vornado, pursuant to the agreements described below, which expire in March of each year and are automatically renewable.

Management and Development Agreements

We pay Vornado an annual management fee equal to the sum of (i) $2,800,000, (ii) 2% of gross revenue from the Rego Park II shopping center, (iii) $0.50 per square foot of the tenant-occupied office and retail space at 731 Lexington Avenue and (iv) $315,000, escalating at 3% per annum, for managing the common area of 731 Lexington Avenue. Vornado is also entitled to a development fee equal to 6% of development costs, as defined.

Leasing and Other Agreements

Vornado also provides us with leasing services for a fee of 3% of rent for the first ten years of a lease term, 2% of rent for the eleventh through the twentieth year of a lease term, and 1% of rent for the twenty-first through thirtieth year of a lease term, subject to the payment of rents by tenants. In the event third-party real estate brokers are used, the fees to Vornado increase by 1% and Vornado is responsible for the fees to the third-party real estate brokers.

Vornado is also entitled to a commission upon the sale of any of our assets equal to 3% of gross proceeds, as defined, for asset sales less than $50,000,000 and 1% of gross proceeds, as defined, for asset sales of $50,000,000 or more.

We also have agreements with Building Maintenance Services, a wholly owned subsidiary of Vornado, to supervise (i) cleaning, engineering and security services at our 731 Lexington Avenue property and (ii) security services at our Rego Park I and Rego Park II properties and The Alexander apartment tower.

The following is a summary of fees to Vornado under the various agreements discussed above.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in thousands)	2018	2017	2018	2017
Company management fees	$ 700	$ 700	$ 1,400	$ 1,400
Development fees	2	4	9	32
Leasing fees	—	4	—	15
Property management, cleaning, engineering and security fees	939	953	1,965	1,941
	$ 1,641	$ 1,661	$ 3,374	$ 3,388

As of June 30, 2018, the amounts due to Vornado were $29,000 for development fees and $405,000 for management, property management, cleaning, engineering and security fees. As of December 31, 2017, the amounts due to Vornado were $1,811,000 for leasing fees; $658,000 for management, property management, cleaning, engineering and security fees; and $21,000 for development fees.

6. Related Party Transactions - continued

Toys "R" Us, Inc. ("Toys")

Our affiliate, Vornado, owns 32.5% of Toys. Joseph Macnow, Vornado's Executive Vice President and Chief Financial Officer and Wendy A. Silverstein, a member of our Board of Directors, represent Vornado as members of Toys' Board of Directors. In connection with the Toys Chapter 11 bankruptcy, its 47,000 square foot lease at our Rego Park II shopping center ($2,600,000 of annual revenue) was rejected effective June 30, 2018 and possession of the space was returned to us. Consequently, we accelerated depreciation and amortization of the remaining balances of $588,000 of tenant improvements and $215,000 of deferred leasing costs during the three months ended June 30, 2018. We also wrote off the Toys receivable arising from the straight-lining of rent of $500,000 during the six months ended June 30, 2018.

7. Marketable Securities

As of June 30, 2018 and December 31, 2017, we owned 535,265 common shares of Macerich (NYSE: MAC). These shares have an economic cost of $56.05 per share, or $30,000,000 in the aggregate. As of June 30, 2018 and December 31, 2017, the fair value of these shares was $30,419,000 and $35,156,000, respectively, based on Macerich's closing share price of $56.83 per share and $65.68 per share, respectively. These shares are included in "marketable securities" on our consolidated balance sheets and are classified as available-for-sale. Available-for-sale securities are presented at fair value on our consolidated balance sheets. Prior to January 1, 2018, unrealized gains and losses resulting from the change in fair value of these securities were included in "other comprehensive loss." Effective January 1, 2018, changes in the fair value of these securities are recognized in current period earnings in accordance with ASC 825. For the three months ended June 30, 2018 we recorded an increase in the fair value of our marketable securities of $433,000, resulting from Macerich's closing share price of $56.83 as of June 30, 2018, compared to $56.02 as of March 31, 2018. For the six months ended June 30, 2018 we recorded a decrease in the fair value of our marketable securities of $4,737,000, resulting from Macerich's closing share price of $56.83 as of June 30, 2018, compared to $65.68 as of December 31, 2017.

8. Discontinued Operations

In 2012, we sold the Kings Plaza Regional Shopping Center ("Kings Plaza") and paid real property transfer taxes to New York City in connection with the sale. In 2015, the New York City Department of Finance ("NYC DOF") issued a Notice of Determination to us assessing an additional New York City real property transfer tax amount, including interest, which we are contesting.

In 2014, in a case with similar facts, the NYC DOF issued a Notice of Determination to a Vornado joint venture assessing an additional New York City real property transfer tax amount, including interest. In January 2017, a New York City administrative law judge made a determination upholding the Vornado joint venture's position that such additional real property transfer taxes were not due. On February 16, 2018, the New York City Tax Appeals Tribunal (the "Tribunal") overturned the January 2017 determination. The Vornado joint venture is appealing the Tribunal's decision to the Appellate Division of the Supreme Court of the State of New York.

Based on the precedent of the Tribunal's decision, we accrued an expense for the potential additional real property transfer taxes of $23,797,000 ($15,874,000 of real property transfer tax and $7,923,000 of interest) during the three months ended March 31, 2018. On April 5, 2018, we paid this amount in order to stop the interest from accruing. Our case is on hold pending the outcome of the Vornado joint venture's appeal.

As the results related to Kings Plaza were previously classified as discontinued operations, we have classified the expense as "loss from discontinued operations" on our consolidated statement of income for the six months ended June 30, 2018 in accordance with the provisions of ASC Topic 360, *Property, Plant and Equipment*.

9. Significant Tenant

Bloomberg L.P. ("Bloomberg") accounted for revenue of $52,672,000 and $52,187,000 for the six months ended June 30, 2018 and 2017, respectively, representing approximately 45% and 46% of our total revenues in each period, respectively. No other tenant accounted for more than 10% of our total revenues. If we were to lose Bloomberg as a tenant, or if Bloomberg were to be unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. In order to assist us in our continuing assessment of Bloomberg's creditworthiness, we receive certain confidential financial information and metrics from Bloomberg. In addition, we access and evaluate financial information regarding Bloomberg from other private sources, as well as publicly available data.

10. Stock-Based Compensation

We account for stock-based compensation in accordance with ASC Topic 718, *Compensation – Stock Compensation*. Our 2016 Omnibus Stock Plan (the "Plan") provides for grants of incentive and non-qualified stock options, restricted stock, stock appreciation rights, deferred stock units ("DSUs") and performance shares, as defined, to the directors, officers and employees of the Company and Vornado.

In May 2018, we granted each of the members of our Board of Directors 195 DSUs with a grant date fair value of $56,250 per grant, or $394,000 in the aggregate. The DSUs entitle the holders to receive shares of the Company's common stock without the payment of any consideration. The DSUs vested immediately and accordingly, were expensed on the date of grant, but the shares of common stock underlying the DSUs are not deliverable to the grantee until the grantee is no longer serving on the Company's Board of Directors. As of June 30, 2018, there were 10,057 DSUs outstanding and 495,730 shares were available for future grant under the Plan.

11. Mortgages Payable

The following is a summary of our outstanding mortgages payable as of June 30, 2018 and December 31, 2017. We may refinance our maturing debt as it comes due or choose to repay it.

(Amounts in thousands)	Maturity[1]	Interest Rate at June 30, 2018	Balance at June 30, 2018	Balance at December 31, 2017
First mortgages secured by:				
Paramus	Oct. 2018	2.90%	$ 68,000	$ 68,000
Rego Park II shopping center[2]	Nov. 2018	3.94%	254,234	256,194
731 Lexington Avenue, retail space[3]	Aug. 2022	3.41%	350,000	350,000
731 Lexington Avenue, office space[4]	Jun. 2024	2.97%	500,000	500,000
Rego Park I shopping center (100% cash collateralized)[5]	—	—	—	78,246
Total			1,172,234	1,252,440
Deferred debt issuance costs, net of accumulated amortization of $8,915 and $6,315, respectively			(9,602)	(12,218)
			$ 1,162,632	$ 1,240,222

(1) Represents the extended maturity where we have the unilateral right to extend.
(2) Interest at LIBOR plus 1.85%. See Note 5 for details of our Rego Park II loan participation.
(3) Interest at LIBOR plus 1.40%.
(4) Interest at LIBOR plus 0.90%.
(5) Refinanced on May 11, 2018 and repaid on June 6, 2018.

12. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820") defines fair value and establishes a framework for measuring fair value. ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels: Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities; Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and Level 3 – unobservable inputs that are used when little or no market data is available. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as consider counterparty credit risk in our assessment of fair value.

Financial Assets and Liabilities Measured at Fair Value

Financial assets measured at fair value on our consolidated balance sheets as of June 30, 2018 and December 31, 2017, consist of marketable securities and an interest rate cap, which are presented in the table below based on their level in the fair value hierarchy. There were no financial liabilities measured at fair value as of June 30, 2018 and December 31, 2017.

	As of June 30, 2018			
(Amounts in thousands)	Total	Level 1	Level 2	Level 3
Marketable securities	$ 30,419	$ 30,419	$ —	$ —
Interest rate cap (included in other assets)	2	—	2	—
Total assets	$ 30,421	$ 30,419	$ 2	$ —

	As of December 31, 2017			
(Amounts in thousands)	Total	Level 1	Level 2	Level 3
Marketable securities	$ 35,156	$ 35,156	$ —	$ —
Interest rate cap (included in other assets)	6	—	6	—
Total assets	$ 35,162	$ 35,156	$ 6	$ —

Financial Assets and Liabilities not Measured at Fair Value

Financial assets and liabilities that are not measured at fair value on our consolidated balance sheets include cash equivalents, the Rego Park II loan participation and mortgages payable. Cash equivalents are carried at cost, which approximates fair value due to their short-term maturities and are classified as Level 1. The fair values of the Rego Park II loan participation and our mortgages payable are calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings, which are provided by a third-party specialist, and are classified as Level 2. The table below summarizes the carrying amounts and fair value of these financial instruments as of June 30, 2018 and December 31, 2017.

	As of June 30, 2018		As of December 31, 2017	
(Amounts in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash equivalents	$ 259,774	$ 259,774	$ 273,914	$ 273,914
Rego Park II loan participation	197,018	197,000	198,537	198,000
	$ 456,792	$ 456,774	$ 472,451	$ 471,914
Liabilities:				
Mortgages payable (excluding deferred debt issuance costs, net)	$ 1,172,234	$ 1,162,000	$ 1,252,440	$ 1,239,000

13. Commitments and Contingencies

Insurance

We maintain general liability insurance with limits of $300,000,000 per occurrence and per property, and all-risk property and rental value insurance coverage with limits of $1.7 billion per occurrence, including coverage for acts of terrorism, with sub-limits for certain perils such as floods and earthquakes on each of our properties.

Fifty Ninth Street Insurance Company, LLC (“FNSIC”), our wholly owned consolidated subsidiary, acts as a direct insurer for coverage for acts of terrorism, including nuclear, biological, chemical and radiological (“NBCR”) acts, as defined by the Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2020. Coverage for acts of terrorism (including NBCR acts) is up to $1.7 billion per occurrence and in the aggregate. Coverage for acts of terrorism (excluding NBCR acts) is fully reinsured by third party insurance companies and the Federal government with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a $306,000 deductible and 18% of the balance of a covered loss, and the Federal government is responsible for the remaining 82% of a covered loss. We are ultimately responsible for any loss incurred by FNSIC.

We continue to monitor the state of the insurance market and the scope and costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for deductibles and losses in excess of our insurance coverage, which could be material.

Our mortgage loans are non-recourse to us and contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance our properties.

Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA Property, Inc. The lease has a purchase option in 2021 for $75,000,000. The property is encumbered by a $68,000,000 interest-only mortgage loan with a fixed rate of 2.90%, which matures on October 5, 2018. The annual triple-net rent is the sum of $700,000 plus the amount of debt service on the mortgage loan. If the purchase option is exercised, we will receive net cash proceeds of approximately $7,000,000 and recognize a gain on sale of land of approximately $60,000,000. If the purchase option is not exercised, the triple-net rent for the last 20 years would include debt service sufficient to fully amortize $68,000,000 over the remaining 20-year lease term.

Rego Park I Litigation

In June 2014, Sears Roebuck and Co. (“Sears”) filed a lawsuit in the Supreme Court of the State of New York against Vornado and us (and certain of our subsidiaries) with regard to space that Sears leases at our Rego Park I property alleging that the defendants are liable for harm that Sears has suffered as a result of (a) water intrusions into the premises, (b) two fires in February 2014 that caused damages to those premises, and (c) alleged violations of the Americans with Disabilities Act in the premises’ parking garage. Sears asserted various causes of actions for damages and sought to compel compliance with landlord’s obligations to repair the premises and to provide security, and to compel us to abate a nuisance that Sears claims was a cause of the water intrusions into its premises. In addition to injunctive relief, Sears sought, among other things, damages of not less than $4 million and future damages it estimated would not be less than $25 million. In March 2016, Sears withdrew its claim for future damages leaving a remaining claim for property damages, which we estimate to be approximately $650,000 based on information provided by Sears. We intend to defend the remaining claim vigorously. The amount or range of reasonably possible losses, if any, is not expected to be greater than $650,000.

On April 4, 2017, Sears closed its 195,000 square foot store at our Rego Park I property. Annual revenue is approximately $10,400,000, under a lease which expires in March 2021. In its 2016 annual report on Form 10-K, Sears indicated that substantial doubt exists related to its ability to continue as a going concern. There are $3,271,000 of receivables arising from the straight-lining of rent and $343,000 of unamortized deferred leasing costs on our consolidated balance sheet related to the Sears lease as of June 30, 2018 which we will continue to assess for recoverability.

13. Commitments and Contingencies - continued

Letters of Credit

Approximately $1,040,000 of standby letters of credit were issued and outstanding as of June 30, 2018.

Other

There are various other legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial position, results of operations or cash flows.

14. Earnings Per Share

The following table sets forth the computation of basic and diluted income per share. Basic income per share is determined using the weighted average shares of common stock outstanding during the period. Diluted income per share is determined using the weighted average shares of common stock outstanding during the period, and assumes all potentially dilutive securities were converted into common shares at the earliest date possible. There were no potentially dilutive securities outstanding during the three and six months ended June 30, 2018 and 2017.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in thousands, except share and per share amounts)	2018	2017	2018	2017
Income from continuing operations	$ 17,570	$ 20,660	$ 31,667	$ 42,327
Loss from discontinued operations (see Note 8)	—	—	(23,797)	—
Net income	$ 17,570	$ 20,660	$ 7,870	$ 42,327
Weighted average shares outstanding – basic and diluted	5,116,657	5,115,320	5,116,321	5,115,012
Income from continuing operations	$ 3.43	$ 4.04	$ 6.19	$ 8.28
Loss from discontinued operations (see Note 8)	—	—	(4.65)	—
Net income per common share – basic and diluted	$ 3.43	$ 4.04	$ 1.54	$ 8.28

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Alexander’s, Inc.

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Alexander’s, Inc. and subsidiaries (the "Company") as of June 30, 2018, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2018 and 2017, and changes in equity and cash flows for the six-month periods ended June 30, 2018 and 2017, and the related notes (collectively referred to as the "interim financial information"). Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2017, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended (not presented herein); and in our report dated February 12, 2018, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2017, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey

July 30, 2018

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained in this Quarterly Report constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Our future results, financial condition, results of operations and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates," "believes," "expects," "anticipates," "estimates," "intends," "plans," "would," "may" or other similar expressions in this Quarterly Report on Form 10-Q. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. For a further discussion of factors that could materially affect the outcome of our forward-looking statements, see "Item 1A – Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q or the date of any document incorporated by reference. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly, any revisions to our forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

Management's Discussion and Analysis of Financial Condition and Results of Operations include a discussion of our consolidated financial statements for the three and six months ended June 30, 2018 and 2017. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the operating results for the full year.

Critical Accounting Policies

A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2017 in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Note 2 – Summary of Significant Accounting Policies" to the consolidated financial statements included therein. For the six months ended June 30, 2018, there were no material changes to these policies, other than the adoption of Accounting Standards Update ("ASU") 2014-09, described in "Part I - Financial Information, Item 1 - Financial Statements, Note 3 - Recently Issued Accounting Literature" of this Quarterly Report on Form 10-Q.

Overview

Alexander’s, Inc. (NYSE: ALX) is a real estate investment trust (“REIT”), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to “we,” “us,” “our,” “Company,” and “Alexander’s”, refer to Alexander’s, Inc. and its consolidated subsidiaries. We are managed by, and our properties are leased and developed by, Vornado Realty Trust (“Vornado”) (NYSE: VNO). We have seven properties in the greater New York City metropolitan area.

We compete with a large number of property owners and developers. Our success depends upon, among other factors, trends of the world, national and local economies, the financial condition and operating results of current and prospective tenants and customers, the availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation, population trends, zoning laws, and our ability to lease, sublease or sell our properties, at profitable levels. Our success is also subject to our ability to refinance existing debt on acceptable terms as it comes due.

Quarter Ended June 30, 2018 Financial Results Summary

Net income for the quarter ended June 30, 2018 was $17,570,000, or $3.43 per diluted share, compared to $20,660,000, or $4.04 per diluted share in the prior year’s quarter. Funds from operations (“FFO”) (non-GAAP) for the quarter ended June 30, 2018 was $26,138,000, or $5.11 per diluted share, compared to $28,667,000, or $5.60 per diluted share in the prior year’s quarter.

Six Months Ended June 30, 2018 Financial Results Summary

Net income for the six months ended June 30, 2018 was $7,870,000, or $1.54 per diluted share, compared to $42,327,000, or $8.28 per diluted share in the prior year’s six months. FFO (non-GAAP) for the six months ended June 30, 2018 was $24,589,000, or $4.81 per diluted share, compared to $58,248,000, or $11.39 per diluted share in the prior year’s six months. Net income and FFO for the six months ended June 30, 2018 included (i) $23,797,000, or $4.65 per diluted share, of expense for potential additional New York City real property transfer taxes on the 2012 sale of Kings Plaza Regional Shopping Center (“Kings Plaza”), which is being contested and (ii) $4,737,000, or $0.92 per diluted share, of expense from the decrease in the fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018. Previously, changes in the fair value of marketable securities were recognized through “accumulated other comprehensive (loss) income” on our consolidated balance sheets and did not impact our consolidated statements of income.

Square Footage, Occupancy and Leasing Activity

As of June 30, 2018, our portfolio was comprised of seven properties aggregating 2,437,000 square feet and was 99.5% occupied.

Real Property Transfer Tax Litigation

In 2012, we sold Kings Plaza and paid real property transfer taxes to New York City in connection with the sale. In 2015, the New York City Department of Finance (“NYC DOF”) issued a Notice of Determination to us assessing an additional New York City real property transfer tax amount, including interest, which we are contesting.

In 2014, in a case with similar facts, the NYC DOF issued a Notice of Determination to a Vornado joint venture assessing an additional New York City real property transfer tax amount, including interest. In January 2017, a New York City administrative law judge made a determination upholding the Vornado joint venture’s position that such additional real property transfer taxes were not due. On February 16, 2018, the New York City Tax Appeals Tribunal (the “Tribunal”) overturned the January 2017 determination. The Vornado joint venture is appealing the Tribunal’s decision to the Appellate Division of the Supreme Court of the State of New York.

Based on the precedent of the Tribunal’s decision, we accrued an expense for the potential additional real property transfer taxes of $23,797,000 ($15,874,000 of real property transfer tax and $7,923,000 of interest) during the three months ended March 31, 2018. On April 5, 2018, we paid this amount in order to stop the interest from accruing. Our case is on hold pending the outcome of the Vornado joint venture’s appeal.

Overview - continued

Tenant Matters

On April 4, 2017, Sears closed its 195,000 square foot store at our Rego Park I property. Annual revenue is approximately $10,400,000, under a lease which expires in March 2021. In its 2016 annual report on Form 10-K, Sears indicated that substantial doubt exists related to its ability to continue as a going concern. There are $3,271,000 of receivables arising from the straight-lining of rent and $343,000 of unamortized deferred leasing costs on our consolidated balance sheet related to the Sears lease as of June 30, 2018 which we will continue to assess for recoverability.

In connection with the Toys "R" Us ("Toys") Chapter 11 bankruptcy, its 47,000 square foot lease at our Rego Park II shopping center ($2,600,000 of annual revenue) was rejected effective June 30, 2018 and possession of the space was returned to us. Consequently, we accelerated depreciation and amortization of the remaining balances of $588,000 of tenant improvements and $215,000 of deferred leasing costs during the three months ended June 30, 2018. We also wrote off the Toys receivable arising from the straight-lining of rent of $500,000 during the six months ended June 30, 2018.

Significant Tenant

Bloomberg L.P. ("Bloomberg") accounted for revenue of $52,672,000 and $52,187,000 for the six months ended June 30, 2018 and 2017, respectively, representing approximately 45% and 46% of our total revenues in each period, respectively. No other tenant accounted for more than 10% of our total revenues. If we were to lose Bloomberg as a tenant, or if Bloomberg were to be unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. In order to assist us in our continuing assessment of Bloomberg's creditworthiness, we receive certain confidential financial information and metrics from Bloomberg. In addition, we access and evaluate financial information regarding Bloomberg from other private sources, as well as publicly available data.

Results of Operations – Three Months Ended June 30, 2018, compared to June 30, 2017

Property Rentals

Property rentals were $38,618,000 in the quarter ended June 30, 2018, compared to $38,264,000 in the prior year's quarter, an increase of $354,000.

Expense Reimbursements

Tenant expense reimbursements were $19,635,000 in the quarter ended June 30, 2018, compared to $18,926,000 in the prior year's quarter, an increase of $709,000. This increase was primarily due to higher reimbursable real estate taxes and operating expenses.

Operating Expenses

Operating expenses were $21,511,000 in the quarter ended June 30, 2018, compared to $20,744,000 in the prior year's quarter, an increase of $767,000. This increase was primarily due to higher real estate taxes of $505,000.

Depreciation and Amortization

Depreciation and amortization was $8,700,000 in the quarter ended June 30, 2018, compared to $8,138,000 in the prior year's quarter, an increase of $562,000. This increase was primarily due to acceleration of depreciation and amortization related to the Toys lease termination.

General and Administrative Expenses

General and administrative expenses were $1,689,000 in the quarter ended June 30, 2018, compared to $1,696,000 in the prior year's quarter, a decrease of $7,000.

Interest and Other Income, net

Interest and other income, net was $1,730,000 in the quarter ended June 30, 2018, compared to $1,297,000 in the prior year's quarter, an increase of $433,000. This increase was primarily due to $1,776,000 of higher interest income from the Rego Park II loan participation entered into in July 2017, partially offset by $1,600,000 of expense from a litigation settlement.

Interest and Debt Expense

Interest and debt expense was $10,945,000 in the quarter ended June 30, 2018, compared to $7,255,000 in the prior year's quarter, an increase of $3,690,000. This increase was primarily due to higher interest expense of (i) $2,075,000 due to an increase in average LIBOR, (ii) $802,000 resulting from the refinancing of the office portion of 731 Lexington Avenue on June 1, 2017 for $500,000,000 at LIBOR plus 0.90% (previously a $300,000,000 loan at LIBOR plus 0.95%) and (iii) $817,000 of higher amortization of debt issuance costs.

Change in Fair Value of Marketable Securities

Change in fair value of marketable securities was income of $433,000 in the quarter ended June 30, 2018, resulting from The Macerich Company's ("Macerich") closing share price of $56.83 as of June 30, 2018, compared to $56.02 as of March 31, 2018, on 535,265 shares owned.

Income Taxes

Income tax expense was $1,000 in the quarter ended June 30, 2018, compared to income tax benefit of $6,000 in the prior year's quarter.

Results of Operations - Six Months Ended June 30, 2018, compared to June 30, 2017

Property Rentals

Property rentals were $76,859,000 in the six months ended June 30, 2018, compared to $76,537,000 in the prior year's six months, an increase of $322,000.

Expense Reimbursements

Tenant expense reimbursements were $39,274,000 in the six months ended June 30, 2018, compared to $37,882,000 in the prior year's six months, an increase of $1,392,000. This increase was primarily due to higher reimbursable real estate taxes and operating expenses.

Operating Expenses

Operating expenses were $43,788,000 in the six months ended June 30, 2018, compared to $41,665,000 in the prior year's six months, an increase of $2,123,000. This increase was primarily due to (i) higher real estate taxes of $1,008,000, (ii) higher reimbursable operating expenses of $450,000 and (iii) higher bad debt expense of $398,000.

Depreciation and Amortization

Depreciation and amortization was $16,983,000 in the six months ended June 30, 2018, compared to $16,183,000 in the prior year's six months, an increase of $800,000. This increase was primarily due to acceleration of depreciation and amortization related to the Toys lease termination.

General and Administrative Expenses

General and administrative expenses were $2,950,000 in the six months ended June 30, 2018, compared to $2,852,000 in the prior year's six months, an increase of $98,000.

Interest and Other Income, net

Interest and other income, net was $4,768,000 in the six months ended June 30, 2018, compared to $2,024,000 in the prior year's six months, an increase of $2,744,000. This increase was primarily due to (i) higher interest income of $3,361,000 from the Rego Park II loan participation and (ii) $1,438,000 from an increase in average interest rates, partially offset by (iii) $1,600,000 of expense from a litigation settlement, (iv) $231,000 of lower bankruptcy recoveries and (v) $211,000 of lower interest income due to lower average investment balances.

Interest and Debt Expense

Interest and debt expense was $20,774,000 in the six months ended June 30, 2018, compared to $13,415,000 in the prior year's six months, an increase of $7,359,000. This increase was primarily due to higher interest expense of (i) $3,701,000 due to an increase in average LIBOR, (ii) $2,181,000 resulting from the refinancing of the office portion of 731 Lexington Avenue on June 1, 2017 for $500,000,000 at LIBOR plus 0.90% (previously a $300,000,000 loan at LIBOR plus 0.95%) and (iii) $1,606,000 of higher amortization of debt issuance costs.

Change in Fair Value of Marketable Securities

Change in fair value of marketable securities was an expense of $4,737,000 in the six months ended June 30, 2018, resulting from Macerich's closing share price of $56.83 as of June 30, 2018, compared to $65.68 as of December 31, 2017, on 535,265 shares owned. See "Part I - Financial Information, Item 1 - Financial Statements, Note 3 - Recently Issued Accounting Literature."

Income Taxes

Income tax expense was $2,000 in the six months ended June 30, 2018, compared to $1,000 in the prior year's six months.

Loss from Discontinued Operations

Loss from discontinued operations was $23,797,000 in the six months ended June 30, 2018. The loss was due to a payment of potential additional real property transfer taxes from the 2012 sale of Kings Plaza which is being contested. See "Part I - Financial Information, Item 1 - Financial Statements, Note 8 - Discontinued Operations."

Liquidity and Capital Resources

Cash Flows

Property rental income is our primary source of cash flow and is dependent on a number of factors, including the occupancy level and rental rates of our properties, as well as our tenants' ability to pay their rents. Our properties provide us with a relatively consistent stream of cash flow that enables us to pay our operating expenses, interest expense, recurring capital expenditures and cash dividends to stockholders. Other sources of liquidity to fund cash requirements include our existing cash, proceeds from financings, including mortgage or construction loans secured by our properties and proceeds from asset sales. We anticipate that cash flows from continuing operations over the next twelve months, together with existing cash balances, will be adequate to fund our business operations, cash dividends to stockholders, debt amortization and capital expenditures. We may refinance our maturing debt as it comes due or choose to repay it.

Six Months Ended June 30, 2018

Cash and cash equivalents and restricted cash were $300,083,000 as of June 30, 2018, compared to $393,279,000 as of December 31, 2017, a decrease of $93,196,000. This decrease resulted from (i) $126,391,000 of net cash used in financing activities and (ii) $270,000 of net cash used in investing activities, partially offset by (iii) $33,465,000 of net cash provided by operating activities.

Net cash used in financing activities of $126,391,000 was primarily comprised of debt repayments of $80,206,000 (primarily the refinancing and subsequent repayment of the mortgage loan on our Rego Park I shopping center) and dividends paid of $46,044,000.

Net cash used in investing activities of $270,000 was comprised of construction in progress and real estate additions of $1,789,000, partially offset by principal repayment proceeds from the Rego Park II loan participation of $1,519,000.

Net cash provided by operating activities of $33,465,000 was comprised of (i) net income of $7,870,000 and (ii) adjustments for non-cash items of $26,909,000, partially offset by (iii) the net change in operating assets and liabilities of $1,314,000. The adjustments for non-cash items were comprised of (i) depreciation and amortization (including amortization of debt issuance costs) of $19,740,000, (ii) the change in fair value of marketable securities of $4,737,000, (iii) straight-lining of rental income of $2,038,000 and (iv) stock-based compensation expense of $394,000.

Six Months Ended June 30, 2017

Cash and cash equivalents and restricted cash were $551,023,000 as of June 30, 2017, compared to $374,678,000 as of December 31, 2016, an increase of $176,345,000. This increase resulted from (i) $142,745,000 of net cash provided by financing activities and (ii) $35,805,000 of net cash provided by operating activities, partially offset by (iii) $2,205,000 of net cash used in investing activities.

Net cash provided by financing activities of $142,745,000 was primarily comprised of (i) $500,000,000 of proceeds from the refinancing of the office portion of 731 Lexington Avenue, partially offset by (ii) debt repayments of $301,819,000 (primarily the repayment of the former loan on the office portion of 731 Lexington Avenue) and (iii) dividends paid of $43,474,000.

Net cash provided by operating activities of $35,805,000 was comprised of net income of $42,327,000, adjustments for non-cash items of $19,877,000 and the net change in operating assets and liabilities of $26,399,000 (primarily due to prepaid real estate taxes). The adjustments for non-cash items were comprised of (i) depreciation and amortization (including amortization of debt issuance costs) of $17,334,000, (ii) straight-lining of rental income of $2,149,000 and (iii) stock-based compensation expense of $394,000.

Net cash used in investing activities of $2,205,000 was comprised of construction in progress and real estate additions.

Commitments and Contingencies

Insurance

We maintain general liability insurance with limits of $300,000,000 per occurrence and per property, and all-risk property and rental value insurance coverage with limits of $1.7 billion per occurrence, including coverage for acts of terrorism, with sub-limits for certain perils such as floods and earthquakes on each of our properties.

Liquidity and Capital Resources - continued

Fifty Ninth Street Insurance Company, LLC ("FNSIC"), our wholly owned consolidated subsidiary, acts as a direct insurer for coverage for acts of terrorism, including nuclear, biological, chemical and radiological ("NBCR") acts, as defined by the Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2020. Coverage for acts of terrorism (including NBCR acts) is up to $1.7 billion per occurrence and in the aggregate. Coverage for acts of terrorism (excluding NBCR acts) is fully reinsured by third party insurance companies and the Federal government with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a $306,000 deductible and 18% of the balance of a covered loss, and the Federal government is responsible for the remaining 82% of a covered loss. We are ultimately responsible for any loss incurred by FNSIC.

We continue to monitor the state of the insurance market and the scope and costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for deductibles and losses in excess of our insurance coverage, which could be material.

Our mortgage loans are non-recourse to us and contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance our properties.

Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA Property, Inc. The lease has a purchase option in 2021 for $75,000,000. The property is encumbered by a $68,000,000 interest-only mortgage loan with a fixed rate of 2.90%, which matures on October 5, 2018. The annual triple-net rent is the sum of $700,000 plus the amount of debt service on the mortgage loan. If the purchase option is exercised, we will receive net cash proceeds of approximately $7,000,000 and recognize a gain on sale of land of approximately $60,000,000. If the purchase option is not exercised, the triple-net rent for the last 20 years would include debt service sufficient to fully amortize $68,000,000 over the remaining 20-year lease term.

Rego Park I Litigation

In June 2014, Sears Roebuck and Co. ("Sears") filed a lawsuit in the Supreme Court of the State of New York against Vornado and us (and certain of our subsidiaries) with regard to space that Sears leases at our Rego Park I property alleging that the defendants are liable for harm that Sears has suffered as a result of (a) water intrusions into the premises, (b) two fires in February 2014 that caused damages to those premises, and (c) alleged violations of the Americans with Disabilities Act in the premises' parking garage. Sears asserted various causes of actions for damages and sought to compel compliance with landlord's obligations to repair the premises and to provide security, and to compel us to abate a nuisance that Sears claims was a cause of the water intrusions into its premises. In addition to injunctive relief, Sears sought, among other things, damages of not less than $4 million and future damages it estimated would not be less than $25 million. In March 2016, Sears withdrew its claim for future damages leaving a remaining claim for property damages, which we estimate to be approximately $650,000 based on information provided by Sears. We intend to defend the remaining claim vigorously. The amount or range of reasonably possible losses, if any, is not expected to be greater than $650,000.

Letters of Credit

Approximately $1,040,000 of standby letters of credit were issued and outstanding as of June 30, 2018.

Other

There are various other legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial position, results of operations or cash flows.

Funds from Operations ("FFO") (non-GAAP)

FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude net gains from sales of depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flow as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies. A reconciliation of our net income to FFO is provided below.

FFO (non-GAAP) for the three and six months ended June 30, 2018 and 2017

FFO (non-GAAP) for the quarter ended June 30, 2018 was $26,138,000, or $5.11 per diluted share, compared to $28,667,000, or $5.60 per diluted share in the prior year's quarter.

FFO (non-GAAP) for the six months ended June 30, 2018 was $24,589,000, or $4.81 per diluted share, compared to $58,248,000, or $11.39 per diluted share in the prior year's six months. FFO for the six months ended June 30, 2018 included (i) $23,797,000, or $4.65 per diluted share, of expense for potential additional New York City real property transfer taxes on the 2012 sale of Kings Plaza, which is being contested and (ii) $4,737,000, or $0.92 per diluted share, of expense from the decrease in the fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018. Previously, changes in the fair value of marketable securities were recognized through "accumulated other comprehensive (loss) income" on our consolidated balance sheets and did not impact our consolidated statements of income.

The following table reconciles our net income to FFO (non-GAAP):

	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in thousands, except share and per share amounts)	**2018**	**2017**	**2018**	**2017**
Net income	$ 17,570	$ 20,660	$ 7,870	$ 42,327
Depreciation and amortization of real property	8,568	8,007	16,719	15,921
FFO (non-GAAP)	$ 26,138	$ 28,667	$ 24,589	$ 58,248
FFO per diluted share (non-GAAP)	$ 5.11	$ 5.60	$ 4.81	$ 11.39
Weighted average shares used in computing FFO per diluted share	5,116,657	5,115,320	5,116,321	5,115,012

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to fluctuations in interest rates, which are sensitive to many factors that are beyond our control. Our exposure to a change in interest rates is summarized in the table below.

	2018			2017	
(Amounts in thousands, except per share amounts)	June 30, Balance	Weighted Average Interest Rate	Effect of 1% Change in Base Rates	December 31, Balance	Weighted Average Interest Rate
Variable Rate	$ 1,104,234	3.33%	$ 11,042	$ 1,106,194	2.75%
Fixed Rate	68,000	2.90%	—	146,246	1.54%
	$ 1,172,234	3.31%	$ 11,042	$ 1,252,440	2.61%
Total effect on diluted earnings per share			$ 2.16		

As of June 30, 2018, we have an interest rate cap with a notional amount of $500,000,000 that caps LIBOR at a rate of 6.0%.

Fair Value of Debt

The fair value of our mortgages payable is calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings, which are provided by a third-party specialist. As of June 30, 2018 and December 31, 2017, the estimated fair value of our mortgages payable was $1,162,000,000 and $1,239,000,000, respectively. Our fair value estimates, which are made at the end of the reporting period, may be different from the amounts that may ultimately be realized upon the disposition of our financial instruments.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures: Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) Internal Control Over Financial Reporting: There have not been any changes in our internal control over financial reporting during the fiscal quarter to which this Quarterly Report on Form 10-Q relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial condition, results of operations or cash flows.

For a discussion of the litigation concerning our Rego Park I property, see “Part I – Financial Information, Item 1 – Financial Statements, Note 13 – Commitments and Contingencies.”

Item 1A. Risk Factors

There have been no material changes in our “Risk Factors” as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits required by Item 601 of Regulation S-K are filed herewith and are listed in the attached Exhibit Index.

EXHIBIT INDEX

Exhibit No.			
10.1	-	Fifth Omnibus Loan Modification and Extension Agreement, dated and made effective as of March 12, 2018, by and between Alexander's Rego Shopping Center, Inc. and U.S. Bank National Association	*
10.2	-	Sixth Omnibus Loan Modification and Extension Agreement, dated and made effective as of April 12, 2018, by and between Alexander's Rego Shopping Center, Inc. and U.S. Bank National Association	*
15.1	-	Letter regarding unaudited interim financial information	
31.1	-	Rule 13a-14 (a) Certification of the Chief Executive Officer	
31.2	-	Rule 13a-14 (a) Certification of the Chief Financial Officer	
32.1	-	Section 1350 Certification of the Chief Executive Officer	
32.2	-	Section 1350 Certification of the Chief Financial Officer	
101.INS	-	XBRL Instance Document	
101.SCH	-	XBRL Taxonomy Extension Schema	
101.CAL	-	XBRL Taxonomy Extension Calculation Linkbase	
101.DEF	-	XBRL Taxonomy Extension Definition Linkbase	
101.LAB	-	XBRL Taxonomy Extension Label Linkbase	
101.PRE	-	XBRL Taxonomy Extension Presentation Linkbase	

* Incorporated by reference from Form 10-Q filed on April 30, 2018.

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.

		ALEXANDER'S, INC.
		(Registrant)
Date: July 30, 2018	By:	/s/ Matthew Iocco
		Matthew Iocco
		Chief Financial Officer (duly authorized officer and principal financial and accounting officer)

EXHIBIT 15.1

July 30, 2018

Alexander’s, Inc.
210 Route 4 East
Paramus, New Jersey 07652

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Alexander’s, Inc. and subsidiaries for the periods ended June 30, 2018, and 2017, as indicated in our report dated July 30, 2018; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, is incorporated by reference in Registration Statement No. 333-212838 on Form S-8 and Registration Statement No. 333-224054 on Form S-3.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey

EXHIBIT 31.1

CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alexander’s, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

July 30, 2018

/s/ Steven Roth

Steven Roth
Chairman of the Board and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Matthew Iocco, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alexander’s, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

July 30, 2018

/s/ Matthew Iocco

Matthew Iocco
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2018		/s/ Steven Roth
	Name:	Steven Roth
	Title:	Chairman of the Board and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2018		/s/ Matthew Iocco
	Name:	Matthew Iocco
	Title:	Chief Financial Officer