ONE LIBERTY PROPERTIES INC
Form 10-Q
November 09, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2006

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 001-09279

ONE LIBERTY PROPERTIES, INC.
(Exact name of registrant as specified in its charter)

MARYLAND	13-3147497
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

60 Cutter Mill Road, Great Neck, New York	11021
(Address of principal executive offices)	(Zip code)

(516) 466-3100
(Registrant's telephone number, including area code)

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 X No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ___ Accelerated Filer X Non-Accelerated Filer ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 6, 2006, the registrant had 9,963,550 shares of common stock outstanding.

Part I - FINANCIAL INFORMATION

Item 1 Financial Statements

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands, Except Per Share Data)

	September 30, 2006 (Unaudited)
Assets	
Real estate investments, at cost	
Land	$ 62,869
Buildings and improvements	269,924
	332,793
Less accumulated depreciation	26,425
	306,368
Investment in unconsolidated joint ventures	27,600
Cash and cash equivalents	7,508
Unbilled rent receivable	7,922
Property held for sale	11,097
Escrow, deposits and other receivables	2,223
Investment in BRT Realty Trust (related party)	853
Deferred financing costs	2,925
Other assets (including available-for-sale securities at market of $996 and $163)	1,760
Unamortized intangible lease assets	4,549
Total assets	$372,805
Liabilities and Stockholders' Equity	
Liabilities:	
Mortgages payable	$196,936
Line of credit	4,000
Dividends payable	3,281
Accrued expenses and other liabilities	3,780
Unamortized intangible lease liabilities	6,010
Total liabilities	214,007

Commitments and contingencies	-
Stockholders' equity:	
Preferred stock, $1 par value; 12,500 shares authorized; none issued	-
Common stock, $1 par value; 25,000 shares authorized; 9,802 and 9,770 shares issued and outstanding	9,802
Paid-in capital	134,281
Accumulated other comprehensive income - net unrealized gain on available-for-sale securities	1,015
Unearned compensation	-
Accumulated undistributed net income	13,700
Total stockholders' equity	158,798
Total liabilities and stockholders' equity	$372,805

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended September 30,	
	2006	2005
Revenues:		
Rental income	$ 8,615	$ 6,804
Operating expenses:		
Depreciation and amortization	1,822	1,345
General and administrative (including $325, $315, $1,072 and $935, respectively, to related party)	1,484	1,347
Real estate expenses	66	103
Leasehold rent	77	77
Total operating expenses	3,449	2,872

Operating income	5,166	3,932
Other income and expenses:		
Equity in earnings (loss) of unconsolidated joint ventures	246	(524)
Gain on disposition of real estate related to unconsolidated joint venture	3,294	-
Interest and other income	43	150
Interest:		
Expense	(3,247)	(2,398)
Amortization of deferred financing costs	(153)	(134)
Gain on sale of air rights in 2005 and other	185	-
Income from continuing operations	5,534	1,026
Discontinued operations:		
Income (loss) from operations	201	72
Net gain on sale	-	631
Income from discontinued operations	201	703
Net income	$ 5,735	$ 1,729
Weighted average number of common shares outstanding:		
Basic	9,937	9,852
Diluted	9,940	9,857
Net income per common share - basic and diluted:		
Income from continuing operations	$ .56	$ .11
Income from discontinued operations	.02	.07
Net income per common share	$ .58	$ .18
Cash distributions per share of common stock	$ .33	$ .33

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the nine month period ended September 30, 2006 (Unaudited)
and the year ended December 31, 2005
(Amounts in Thousands)

	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income	Unearne Compen- sation
Balances, January 1, 2005	$ 9,728	$133,350	$ 717	$ (926)
Distributions - common stock	-	-	-	-
Exercise of options	11	109	-	-
Shares issued through dividend reinvestment plan	31	569	-	-
Issuance of restricted stock	-	617	-	(617)
Compensation expense - restricted stock	-	-	-	293
Net income	-	-	-	-
Other comprehensive income- net unrealized gain on available-for-sale securities	-	-	101	-
Comprehensive income				
Balances, December 31, 2005	9,770	134,645	818	(1,250)
Reclassification upon the adoption of FASB No. 123 (R)	-	(1,250)	-	1,250
Distributions - common stock	-	-	-	-
Exercise of options	9	101	-	-
Shares issued through dividend reinvestment plan	23	407	-	-
Compensation expense - restricted stock	-	378	-	-
Net income	-	-	-	-
Other comprehensive income- net unrealized gain on available-for-sale securities	-	-	197	-
Comprehensive income				
Balances, September 30, 2006	$ 9,802	$134,281	$ 1,015	$ -

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)
(Unaudited)

Cash flows from operating activities:
Net income
Adjustments to reconcile net income to net cash provided by operating activities:
Gain on sale
Increase in rental income from straight-lining of rent
(Increase) decrease in rental income from amortization of intangibles relating to leases
Gain on disposition of real estate related to unconsolidated joint venture
Provision for valuation adjustment
Amortization of restricted stock expense
Equity in earnings of unconsolidated joint ventures
Distributions of earnings from unconsolidated joint ventures
Depreciation and amortization
Amortization of financing costs
Changes in assets and liabilities:
(Increase) decrease in escrow, deposits and other receivables
Increase in accrued expenses and other liabilities

Net cash provided by operating activities

Cash flows from investing activities:
Purchase of real estate and improvements
Net proceeds from sale of real estate
Investment in unconsolidated joint ventures
Distributions of return of capital from unconsolidated joint ventures
Net proceeds from sale of option to purchase property
Net proceeds from sale of available-for-sale securities
Purchase of available-for-sale securities

Net cash (used in) investing activities

Cash flows from financing activities:
Repayment of mortgages payable
Proceeds from mortgages payable
Payment of financing costs
Proceeds from bank line of credit, net
Cash distributions - common stock
Exercise of stock options
Issuance of shares through dividend reinvestment plan

Net cash (used in) provided by financing activities

Net (decrease) increase in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

Supplemental disclosures of cash flow information:
Cash paid during the period for interest

Supplemental schedule of non-cash investing and financing activities:
Assumption of mortgage payable in connection with purchase of real estate

Purchase accounting allocations

Reclassification of 2005 deposit in connection with purchase of real estate

See accompanying notes to consolidated financial statements.

One Liberty Properties, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 1 - Organization and Background

One Liberty Properties, Inc. (the "Company") was incorporated in 1982 in the state of Maryland. The Company is a self-administered and self-managed real estate investment trust ("REIT"). The Company acquires, owns and manages a geographically diversified portfolio of retail, industrial, office, flex, health and fitness and other properties, a substantial portion of which are under long-term net leases. As of September 30, 2006, the Company owns fifty-seven properties, holds a 50% tenancy in common interest in one property and participates in seven joint ventures which own a total of fourteen properties. The seventy-two properties are located in twenty-six states. On October 5, 2006, the Company sold one property and two of its joint ventures sold eight properties. (See Note 4.)

Note 2 - Basis of Preparation

The accompanying interim unaudited consolidated financial statements as of September 30, 2006 and for the nine and three months ended September 30, 2006 and 2005 reflect all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the results for such interim periods. The results of operations for the nine and three months ended September 30, 2006 are not necessarily indicative of the results for the full year.

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The consolidated financial statements include the accounts and operations of One Liberty Properties, Inc. and its wholly-owned subsidiaries (collectively, the "Company"). With respect to its unconsolidated joint ventures, as the Company (1) is primarily the managing member but does not exercise substantial operating control over these entities pursuant to EITF 04-05, and (2) such entities are not variable-interest entities pursuant to FASB Interpretation No. 46R, "Consolidation of Variable Interest Entities", it has determined that such joint ventures should be accounted for under the equity method of accounting for financial statement purposes. Material intercompany items and transactions have been eliminated.

Certain amounts reported in previous consolidated financial statements have been reclassified in the accompanying consolidated financial statements to conform to the current year's presentation.

The Company accounts for its property acquisitions in accordance with SFAS 141 and 142 and is currently in the process of analyzing the fair value of the in-place leases of its current year's acquisitions. Therefore, the purchase price allocations are preliminary and subject to change.

These statements should be read in conjunction with the consolidated financial statements and related notes which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

Note 3 - Earnings Per Common Share

For the nine and three months ended September 30, 2006 and 2005, basic earnings per share were determined by dividing net income for the period by the weighted average number of shares of the Company's Common Stock outstanding, which includes unvested restricted stock during each period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts exercisable for, or convertible into, Common Stock were exercised or converted or resulted in the issuance of Common Stock that shared in the earnings of the Company. For the nine and three months ended September 30, 2006 and 2005, diluted earnings per share were determined by dividing net income applicable to common stockholders for the period by the total of the weighted average number of shares of Common Stock outstanding plus the dilutive effect of the Company's outstanding options (3,086 and 2,364 for the nine and three months ended September 30, 2006, respectively, and 5,227 and 4,488 for the nine and three months ended September 30, 2005, respectively) using the treasury stock method.

Note 4 - Subsequent Event/Properties Held For Sale

On October 5, 2006, the Company sold one movie theater property and two of the Company's joint ventures sold eight movie theater properties to a single unrelated purchaser for an aggregate consideration of $151,885,000, of which $136,658,000 is attributable to the eight properties owned by the joint ventures (in which the Company is a 50% equity participant) and $15,227,000 to the property owned by the Company.

The Company estimates that the joint ventures realized a gain, for book purposes, after expenses, fees and brokerage commissions, of approximately $49,000,000 (of which 50%, or approximately $24,500,000, is attributable to the Company). The Company estimates that it also realized a gain, for book purposes, after expenses, fees and brokerage commissions, of approximately $3,660,000 on the sale of the one movie theater property sold by the Company. The joint ventures paid a prepayment premium of $9,683,000 (of which 50%, or approximately $4,842,000, is attributable to the Company) on the outstanding mortgage loans secured by the properties which were sold. The prepayment premium expense will be deducted from equity in earnings of unconsolidated joint ventures for financial reporting purposes and is not reflected as an expense or fees in calculating the gains reported above. These gains and expenses will be recognized in the three months and year ended December 31, 2006.

The Company anticipates that it will defer the taxable gain of approximately $3,800,000 on the one property sold by its wholly-owned subsidiary through a tax deferred exchange under Section 1031 of the Internal Revenue Code using the sales proceeds of approximately $15,227,000 to acquire one or more replacement properties. Therefore, the Company anticipates it will not realize a gain on the sale of this one property for federal tax purposes.

In connection with the sale of the nine movie theater properties (eight by the joint ventures and one by the Company), a brokerage commission totaling $1,519,000 will be paid to Majestic Property Management Corp. (a company wholly-owned by the Company's Chairman of the Board and Chief Executive Officer and in which certain of the Company's officers are officers and from which such officers are paid fees). The joint ventures are paying $1,367,000 of this commission (of which 50% of which will be borne by the Company and 50% by the joint venture partner) and the Company is paying $152,000 of this commission. The commission is included as an expense in calculating the gain described above.

One Liberty Properties, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Continued)

Note 5 - Investment in Unconsolidated Joint Ventures

The Company is a member in seven unconsolidated joint ventures which own and operate fourteen properties. See Note 4 for information regarding the October 2006 sale of eight of these properties. The following tables present unaudited condensed financial statements of the two most significant joint ventures. The Company is the managing member of both joint ventures, which are between the Company and MTC Investors LLC, an unrelated party, and own movie theater properties.

Joint Venture #1 (A)

(Amounts in Thousands)

Condensed Balance Sheets	September 30, 2006	De
Cash and cash equivalents	$ 317	
Properties held for sale	52,912	
Deferred financing costs	405	
Unbilled rent receivable	1,559	
Other assets	5	
Total assets	$ 55,198	

Mortgage loans payable	$ 31,013
Other liabilities	273
Equity	23,912
Total liabilities and equity	$ 55,198
Company's equity investment (B)	$ 12,873

	Three Months Ended September 30,	
Condensed Statements of Operations	2006	2005
Rental income	$ 1,838	$ 1,838
Depreciation and amortization	-	289
Operating expenses	146	74
Total operating expenses	146	363
Operating income	1,692	1,475
Other income and expenses:		
Interest income	-	-
Interest:		
Expense	(609)	(627)
Amortization of deferred financing costs	(17)	(17)
Net income attributable to members	$ 1,066	$ 831
Company's share of net income	$ 533	$ 415
Amount recorded in income statement (B)	$ 528	$ 411
Distributions received by the Company:		
From operations	$ 369	$ 412
From capital	$ -	$ 15

(A) On October 5, 2006, the five movie theaters owned by this joint venture, constituting all of the real estate assets of this venture were sold. See Note 4 for details. For comparison purposes, these assets have been reclassified to "Properties held for sale" at December 31, 2005.

One Liberty Properties, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Continued)

Note 5 - Investment in Unconsolidated Joint Ventures (Continued)

(B) The difference between the carrying amount of the Company's investment in Joint Venture # 1 and the underlying equity in net assets is a premium amortized as an adjustment to equity in earnings of unconsolidated joint ventures over 40 years.

Joint Venture #2 (A)

(Amounts in Thousands)

Condensed Balance Sheets	September 30, 2006
Cash and cash equivalents	$ 826
Real estate investments, net (B)	-
Properties held for sale	29,117
Deferred financing costs	302
Unbilled rent receivable	1,338
Deposit	1,305
Other assets, primarily investment in AIX stock (C)	235
Total assets	$ 33,123
Mortgage loans payable	$ 19,939
Other liabilities	228
Equity	12,956
Total liabilities and equity	$ 33,123
Company's equity investment	$ 6,379

Condensed Statements of Operations	Three Months Ended September 30, 2006	2005
Rental income	$ 1,151	$ 1,203
Depreciation and amortization	-	203
Operating expenses	44	37
Provision for valuation adjustment of real estate	600	2,562
Total operating expenses	644	2,802
Operating income (loss)	507	(1,599)
Other income and expenses:		
Interest income	9	-

Interest:		
Expense	(466)	(498)
Mortgage prepayment premium and fees (B)	(831)	-
Amortization of deferred financing costs	(7)	(8)
Gain on sale of Brooklyn property (B)	6,588	-
Gain on sale of AIX stock (C)	-	-
Net income (loss) attributable to members	$ 5,800	$(2,105)
Company's share of net income (loss)	$ 2,900	$(1,052)
Distributions received by the Company:		
From operations	$ 3,075	$ -
From capital	$ 1,147	$ 235

One Liberty Properties, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Continued)

Note 5 - Investment in Unconsolidated Joint Ventures (Continued)

(A) On October 5, 2006, the joint venture sold its three remaining movie theater properties. See Note 4 for details. For comparison purposes, these assets have been reclassified to "Properties held for sale" at December 31, 2005. The remaining real estate asset of this venture is a vacant parcel of land that is being offered for sale. This property has a nominal net book value after provisions for valuation adjustment of $600 and $2,562 taken as direct write downs during the three months ended September 30, 2006 and 2005, respectively.

(B) On September 13, 2006, the joint venture sold a movie theater property located in Brooklyn, New York to an unrelated party for a consideration of $16,000 and realized a gain of $6,588. In connection with the prepayment of the mortgage loan secured by this property, the joint venture paid a premium of $831.

(C) The joint venture owned 40,000 restricted shares of Class A common stock of Access Integrated Technologies, Inc. (NASDAQ:AIXD), the parent company of a former tenant of the joint venture. In April 2006, the joint venture sold 20,000 shares of the AIXD stock and realized a gain on sale of $166.

The remaining five unconsolidated joint ventures, each of which owns one property, include one recently organized joint venture. At September 30, 2006 and December 31, 2005, the Company's equity investment in these five joint ventures totaled $8,348,000 and $6,997,000, respectively. These unconsolidated joint ventures contributed $329,000 and $112,000, respectively, in equity earnings for the nine and three months ended September 30, 2006 and $414,000 and $117,000, respectively, in equity earnings for the nine and three months ended September 30, 2005.

Note 6 - Gain on Sale of Land and Option to Purchase Property

During July 2006, the Company sold excess acreage to an unrelated party at a property owned by the Company for a sales price of $975,000 and realized a gain on sale of $185,000.

During February, 2006, the Company sold an option it owned to buy an interest in certain property adjacent to one of the Company's properties and realized a gain on sale of $227,000.

Note 7 - Discontinued Operations

The following is a summary of income from discontinued operations, for the nine and three months ended September 30, 2006 and 2005 applicable to the property held for sale at September 30, 2006 (see Note 4) and to the five properties sold in the year ended December 31, 2005: (Amounts in thousands.)

One Liberty Properties, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Continued)

Note 7 - Discontinued Operations (Continued)

	Three Months Ended September 30,		Nine Sep
	2006	2005	2006
Rental income	$ 345	$ 434	$ 952
Other income	-	-	400
Total revenues	345	434	1,352
Depreciation and amortization	-	97	97
Real estate expenses	38	157	44
Interest expense	106	108	320
Provision for valuation adjustment of real estate	-	-	-
Total expenses	144	362	461
Income (loss) from discontinued operations before gain on sale	201	72	891
Net gain on sale of discontinued operations	-	631	-
Income from discontinued operations	$ 201	$ 703	$ 891

Real estate investment, net of accumulated depreciation, and mortgage payable for the property held for sale at September 30, 2006 (see Note 4) was $11,097,000 and $6,682,000, respectively, and $11,193,000 and $6,783,000, respectively, at December 31, 2005.

Note 8 - Common Stock Dividend Distribution

On September 13, 2006, the Board of Directors declared a quarterly cash distribution of $.33 per share, totaling $3,281,000, on the Company's Common Stock which was paid on October 3, 2006 to stockholders of record on September 26, 2006.

Note 9 - Comprehensive Income

Comprehensive income for the nine and three months ended September 30, 2006 and 2005 are as follows (amounts in thousands):

	Three Months Ended September 30,		Nine M Sept
	2006	2005	2006
Net income	$ 5,735	$ 1,729	$11,997
Other comprehensive income -			
Unrealized gain on available-for-sale securities	182	23	197
Comprehensive income	$ 5,917	$ 1,752	$12,194

Accumulated other comprehensive income, which is solely comprised of the net unrealized gain on available-for-sale securities was $1,015,000 and $818,000 at September 30, 2006 and December 31, 2005, respectively.

One Liberty Properties, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Continued)

Note 10 - Restricted Stock

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123R, "Share-Based Payments", effective January 1, 2006. SFAS No. 123R established financial accounting and reporting standards for stock-based employee compensation plans, including all arrangements by which employees receive shares of stock or other equity instruments of the employer, or the employer incurs liabilities to employees in amounts based on the price of the employer's stock. The statement also defined a fair value based method of accounting for an employee stock option or similar equity instrument. The implementation of the statement has not had a material effect on the consolidated financial statements.

The Company's 2003 Stock Incentive Plan (the "Incentive Plan") provides for the granting of restricted shares. The maximum number of shares of the Company's common stock that may be issued pursuant to the Incentive Plan is 275,000. The restricted stock grants are valued at the fair value as of the date of grant and specify vesting upon the fifth anniversary of the date of grant. The value of such grants are initially deferred, and amortization of amounts deferred is being charged to operations over the respective vesting periods.

	Three Months Ended September 30,		Nine M Sep
	2006	2005	2006
Restricted share grants	-	-	50,000
Average per share grant price	$ -	$ -	$ 20.66
Recorded as deferred compensation	$ -	$ -	$1,034,000
Total charge to operations	$136,000	$ 57,000	$ 378,000
Non-vested shares:			
Non-vested beginning of period	142,000	93,000	93,000
Grants	-	-	50,000
Vested during period	-	-	-
Forfeitures	(1,000)	-	(2,000)
Non-vested end of period	141,000	93,000	141,000

At September 30, 2006, approximately 133,000 shares remain available for grants pursuant to the Incentive Plan, and approximately $1,887,000 remained as deferred compensation and will be charged to expense over the remaining weighted average vesting period of approximately 3.3 years.

One Liberty Properties, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Continued)

Note 11 - New Accounting Pronouncements

Emerging Issues Task Force ("EITF") Issue 04-5, "Investor's Accounting for an Investment in a Limited Partnership when the Investor is the Sole General Partner and the Limited Partners Have Certain Rights" was ratified by the Financial Accounting Standards Board (the "FASB") in September 2005. This EITF provides guidance in determining whether a general partner controls a limited partnership and what rights held by the limited partners(s) preclude the sole general partner from consolidating the limited partnership in accordance with the U.S. generally accepted accounting principles. This EITF covers entities that are equivalent to limited partnerships, such as limited liability companies, in which the Company is a managing member. This EITF is effective no later than fiscal years beginning after December 15, 2005 and as of September 29, 2005 for new or modified arrangements. Management has adopted the EITF issue and its adoption did not have an effect on earnings or the financial position of the Company.

In July 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). This interpretation, among other things, creates a two step approach for evaluating uncertain tax positions. Recognition (step one) occurs when an enterprise concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when a company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. FIN 48 specifically prohibits the use of a valuation allowance as a substitute for derecognition of tax positions, and it has expanded disclosure requirements. FIN 48 is effective for fiscal years beginning after December 15, 2006, in which the impact of adoption should be accounted for as a cumulative-effect adjustment to the beginning balance of retained earnings. The Company is evaluating FIN 48 and has not yet determined the impact the adoption will have on the consolidated financial statements, but it is not expected to be significant.

In September 2006, the FASB issued Statement No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 provides guidance for using fair value to measure assets and liabilities. This statement clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability. SFAS No.157 establishes a fair value hierarchy, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable data. SFAS No. 157 applies whenever other standards require assets or liabilities to be measured at fair value. This statement is effective in fiscal years beginning after November 15, 2007. The Company believes that the adoption of this standard on January 1, 2008 will not have a material effect on the Company's consolidated financial statements.

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 108 ("SAB 108"), which becomes effective beginning on January 1, 2007. SAB 108 provides guidance on the consideration of the effects of prior period misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB108 provides for the quantification of the impact of correcting all misstatements, including both the carryover and reversing effects of prior year misstatements, on the current year financial statements. If a misstatement is material to the current year financial statements, the prior year financial statements should also be corrected, even though such revision was, and continues to be, immaterial to the prior year financial statements. Correcting prior year financial statements for immaterial errors would not require previously filed reports to be amended. Such correction should be made in the current period filings. The Company is currently evaluating the impact of adopting SAB 108.

Note 12 - Legal Matters

In July 2005, Jeffrey Fishman resigned as the Company's president, chief executive officer and a member of the Company's Board of Directors following discovery of what appeared to be inappropriate financial dealings by Mr. Fishman with the former tenant of a movie theater property located in Brooklyn, NY, owned by a joint venture in which the Company is a 50% venture partner and the managing member. The Company had reported this matter to the Securities and Exchange Commission in July 2005. The Audit Committee of the Company's Board of Directors conducted an investigation of this matter and related matters and retained special counsel to assist the committee in the investigation. This investigation was completed and the Audit Committee and its special counsel, based on the materials gathered and interviews conducted, found no evidence that any other officer or employee of the Company was aware of, or knowingly assisted in Mr. Fishman's inappropriate financial dealings.

On June 21, 2006 the Company announced that it had received notification of a formal order of investigation from the SEC. Management believes that the matters being investigated by the SEC focus on the improper payments received by Mr. Fishman. The SEC has also requested information regarding "related party" transactions between the Company and entities affiliated with it and with certain of the Company's officers and directors and compensation paid to certain of the Company's executive officers by those affiliates. The SEC and the Company's Audit Committee (and its counsel) are conducting concurrent investigations concerning these issues. The Company's direct legal expenses related to these investigations totaled $682,000 and $360,000, respectively, in the nine and three months ended September 30, 2006 and $467,000 in the nine and three months ended September 30, 2005.

Note 13 - Pro Forma Information

On April 7, 2006, the Company acquired eleven retail furniture stores, located in six states, leased to a single tenant. The properties were acquired for a purchase price of approximately $51,200,000, with approximately $22,250,000 paid in cash, $2,000,000 borrowed under the Company's line of credit and the remainder through the assumption of a mortgage of approximately $26,950,000. The basic term of the net lease expires August 14, 2022, with several renewal options. As a result of its evaluation under SFAS 141and 142 of this acquisition, the Company recorded a deferred asset of $843,000, representing assumed lease origination costs and it also recorded a deferred liability of $5,112,000 representing the net value of the acquired below market lease. These deferred amounts will be written off over the lease term and the Company will recognize additional rental income from the amortization of the deferred liability and additional amortization expense relating to the amortization of the deferred lease origination costs.

The following table summarizes, on a pro forma basis, the combined results of continuing operations of the Company for the nine and three months ended September 30, 2006 and 2005 as though the acquisition of the properties in April 2006 was completed on January 1, 2005. The information does not purport to be indicative of what the operating results of the Company would have been had the acquisition been consummated on January 1, 2005. (Amounts in thousands, except per share data.)

Note 13 - Pro Forma Information (Continued)

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	Nine Sep 2006
Pro forma revenues	$ 8,601	$ 8,000	$25,701
Pro forma net income from continuing operations	5,522	1,401	11,464
Pro forma common shares:			
Basic	9,937	9,852	9,921
Diluted	9,940	9,857	9,924
Pro forma net income per common share from continuing operations -			
Basic	$ .56	$ .14	$ 1.16
Diluted	$ .56	$ .14	$ 1.16

Item 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

Forward-Looking Statements

With the exception of historical information, this quarterly report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended. We intend such forward-looking statements to be covered by the safe harbor provision for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions or variations thereof. Forward-looking statements should not be relied on since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect actual results, performance or achievements. Investors are cautioned not to place undue reliance on any forward-looking statements.

Overview

We are a self-administered and self-managed real estate investment trust, or REIT, and we primarily own real estate that we net lease to tenants. As of September 30, 2006 we own 57 properties, hold a 50% tenancy in common interest in one property and participate in seven joint ventures which own a total of 14 properties. These 72 properties are located in 26 states. On October 5, 2006, the Company sold one property and two of its joint ventures sold eight properties.

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we distribute currently at least 90% of ordinary taxable income to our stockholders. We intend to comply with these requirements and to maintain our REIT status.

Our principal business strategy is to acquire improved, commercial properties subject to long-term net leases. We acquire properties for their value as long-term investments and for their ability to generate income over an extended period of time. We have borrowed funds in the past to finance the purchase of real estate and we expect to do so in the future.

Our rental properties are generally leased to corporate tenants under operating leases substantially all of which are noncancellable. Substantially all of our lease agreements are net lease arrangements that require the tenant to pay not only rent, but also substantially all of the operating expenses of the leased property, including maintenance, taxes, utilities and insurance. A majority of our lease agreements provide for periodic rental increases and certain of our other leases provide for increases based on the consumer price index.

At September 30, 2006, excluding mortgages payable of our unconsolidated joint ventures, we had 35 outstanding mortgages payable, aggregating approximately $197 million in principal amount, each of which is secured by a first lien on an individual real estate property. The real properties securing our outstanding mortgages payable have an aggregate carrying value of approximately $316 million, adjusted for intangibles, before accumulated depreciation. The mortgages bear interest at fixed rates ranging from 5.125% to 8.8%, and mature between 2007 and 2023.

Results of Operations

Comparison of Nine and Three Months Ended September 30, 2006 and 2005

Revenues

Rental income increased by $4.5 million, or 22.4%, to $24.5 million for the nine months ended September 30, 2006 from $20 million for the nine months ended September 30, 2005. For the three months ended September 30, 2006, rental income increased by $1.8 million, or 26.6%, to $8.6 million from $6.8 million for the three months ended September 30, 2005. The increase in rental income is primarily due to $4.4 million and $1.4 million of rental revenues earned during the nine and three months ended September 30, 2006 on twenty-one properties acquired by us between January 2005 and September 2006.

Operating Expenses

Depreciation and amortization expense increased by $1.1 million, or 28.9%, and $477,000, or 35.5%, to $5.1 million and $1.8 million for the nine and three months ended September 30, 2006. The increase in depreciation and amortization expense was primarily due to the acquisition of twenty-one properties between January 2005 and September 2006.

General and administrative expenses increased by $972,000, or 30.4%, to $4.2 million for the nine months ended September 30, 2006. For the three months ended September 30, 2006, general and administrative expenses increased by $137,000, or 10.2%, to $1.5 million. The increase was due to a number of factors, the largest of which (totaling $283,000 and $188,000, respectively, for the nine and three months ended September 30, 2006) relates to payroll and payroll related expenses resulting primarily from compensation paid to our new president for the entire current fiscal periods, as well as from staff increases. An increase of $215,000 and a decrease of $108,000 in the nine and three months ended September 30, 2006, respectively, relates to professional fees incurred in connection with an investigation by the Securities and Exchange Commission described elsewhere in this filing (Part II - Other Information - Item I - Legal Proceedings) and investigations by the Company's Audit Committee. In addition, there was an increase of $63,000 and a decrease of $30,000 in the nine and three months ended September 30, 2006, respectively, in legal fees relating to a civil litigation arising out of the activities of our former president and chief executive officer. For the nine and three months ended September 30, 2006 expenses allocated to us under a Shared Services Agreement among us and various affiliated companies, increased by $138,000 and $10,000, respectively, for executive and support personnel, primarily for legal and accounting services, a significant portion of which relates to the SEC and Audit Committee investigations, as well as property acquisitions and the overall increase in the level of our business activity. Also included in the nine and three months ended September 30, 2006 is an increase in compensation expense relating to our restricted stock program of $173,000 and $79,000, respectively, and an increase in directors' fees of $48,000 and $2,000, respectively.

Real estate expenses decreased by $76,000, or 27.4%, and $37,000, or 35.9% for the nine and three months ended September 30, 2006, resulting primarily from unusual repair items at three properties incurred in the 2005 nine and three month periods.

Other Income and Expenses

Our equity in earnings of unconsolidated joint ventures increased by $597,000, or 45%, to $1.9 million for the nine months ended September 30, 2006 and by $770,000, or 147%, to $246,000 for the three months ended September 30, 2006. The increase resulted primarily from a $2.56 million provision for valuation adjustment taken at September 30, 2005 by one of our movie theater joint ventures against one of its properties, of which 50%, or $1.3 million, was our share. At September 30, 2006, this joint venture recorded an additional $600,000 provision against this property, of which 50%, or $300,000, is our share. The increase in earnings of unconsolidated joint ventures also resulted from decreases of $655,000, of which 50%, or $327,000 is our share and $491,000, of which $246,000, is our share, in the nine and three months ended September 30, 2006, respectively, in depreciation expense which ceased June 1, 2006 for the nine theaters which were sold. The increase is also due to a gain of $166,000, of which our 50% share is $83,000, on the sale of securities during the nine months ended September 30, 2006. These increases were offset in part by the payment to one of our joint ventures of rental arrearages totaling $592,000 in February 2005. We have a 50% interest in this joint venture and the payment resulted in $296,000 of equity in earnings to us in the nine months ended September 30, 2005. The increase in the nine months ended September 30, 2006 was also offset by $831,000, of which 50%, or $415,000 is our share, for a mortgage prepayment premium paid by one of our joint ventures upon the sale of its Brooklyn movie theater on September 13, 2006. This movie theater property was sold for a consideration of $16 million and the joint venture realized a gain of $6.6 million, of which our share is $3.3 million.

Interest and other income increased by $74,000 to $303,000, or 32.3%, and decreased by $107,000 to $43,000, or 71.3%, for the nine and three months ended September 30, 2006, respectively. The increase in interest and other income for the nine months ended September 30, 2006 results from interest earned through March 2006 on our investment in short-term cash equivalents of the proceeds received from a mortgage financing completed during December 2005. The decrease in the three months ended September 30, 2006 is due to less funds being available for investment.

Interest expense increased by $1.9 million, or 27%, and $849,000, or 35.4%, to $9.2 million and $3.2 million, respectively, for the nine and three months ended September 30, 2006. This includes increases of $2.1 million and $857,000, respectively, on our mortgages payable, principally resulting from mortgages placed on twenty-two properties between March 2005 and April 2006. This increase was offset by a decrease of $198,000 and $8,000, respectively, during the nine and three months ended September 30, 2006 of interest expense related to our line of credit. The higher expense in the nine months ended September 30, 2005 resulted from borrowings made to facilitate the purchase of several properties.

Amortization of deferred financing costs increased by $27,000, or 6.5%, and $19,000, or 14.2%, to $443,000 and $153,000 for the nine and three months ended September 30, 2006. The increase results from the amortization of deferred mortgage costs during the nine and three months ended September 30, 2006 resulting from mortgages placed on twenty-two properties between March 2005 and April 2006.

During July 2006, we sold excess acreage to an unrelated party at a property we own and recognized a gain of $185,000. During February 2006, we sold an option to buy an interest in certain property adjacent to one of our properties and recognized a gain of $227,000. In June 2005, we closed on the sale of unused development or "air rights" relating to our property located in Brooklyn, New York for a net gain, after closing costs, of approximately $10.25 million.

Discontinued Operations

Discontinued operations decreased by $327,000, or 26.8%, and $502,000, or 71.4%, to $891,000 and $201,000, respectively, for the nine and three months ended September 30, 2006. These decreases were primarily due to gains of $1.2 million and $631,000 realized on the sale of two properties in the 2005 nine and three month periods, respectively. The gains in 2005 were offset in part by a $469,000 provision for valuation adjustment recorded in 2005 against one of the five properties sold in the year ended December 31, 2005 (and included in discontinued operations). The decrease was also offset in part by the receipt in the nine months ended September 30, 2006 of a $400,000 settlement of a claim made by us against a title insurance company regarding our purchase of a property in a prior year. (Sold in 2005.)

Liquidity and Capital Resources

We had cash and cash equivalents of approximately $7.5 million at September 30, 2006. Our primary sources of liquidity are cash and cash equivalents, our revolving credit facility and cash generated from operating activities, including mortgage financings. We have a $62.5 million revolving credit facility with Valley National Bank, Merchants Bank Division, Bank Leumi USA, Manufacturers and Traders Trust Company and Israel Discount Bank of New York. The facility is available to us to pay down existing and maturing mortgages, to fund the acquisition of properties or to invest in joint ventures. The facility matures on June 30, 2007. Borrowings under the facility bear interest at the lower of LIBOR plus 2.5% or the bank's prime rate, and there is an unused facility fee of one-quarter of 1% per annum. Net proceeds received from the sale or refinancing of properties are required to be used to repay amounts outstanding under the facility if proceeds from the facility were used to purchase or refinance such properties. The $4 million balance at September 30, 2006 was paid in full during October 2006, using a portion of the $37 million distribution we received from our two movie theater joint ventures upon the sale of eight of its properties.

We actively engage in seeking additional property acquisitions and we are involved in various stages of negotiation with respect to the acquisition of additional properties. We will fund our future real estate acquisitions by using cash available, including the remainder of the distribution received from our movie theater joint ventures, cash provided from operations, cash provided from mortgage financings and funds available under our credit facility.

We had no outstanding contingent commitments, such as guarantees of indebtedness, or any other contractual cash obligations at September 30, 2006.

Cash Distribution Policy

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we distribute currently at least 90% of our ordinary taxable income to our stockholders. It is our current intention to comply with these requirements and maintain our REIT status. As a REIT, we generally will not be subject to corporate federal, state or local income taxes on taxable income we distribute currently (in accordance with the Internal Revenue Code and applicable regulations) to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal, state and local income taxes at regular corporate rates and may not be able to qualify as a REIT for four subsequent tax years. Even if we qualify as a REIT for federal taxation purposes, we may be subject to certain state and local taxes on our income and to federal income and excise taxes on our undistributed taxable income (i.e., taxable income not distributed in the amounts and in the time frames prescribed by the Internal Revenue Code and applicable regulations thereunder).

It is our intention to pay to our stockholders within the time periods prescribed by the Internal Revenue Code no less than 90% of our annual taxable income, including gains on the sale of real estate, except where we elect to defer gains for tax purposes and invest the proceeds in new properties under applicable rules of the Internal Revenue Code. It will continue to be our policy to make sufficient cash distributions to stockholders in order for us to maintain our REIT status under the Internal Revenue Code.

Item 3. - Quantitative and Qualitative Disclosures About Market Risk

All of our long-term mortgage debt bears interest at fixed rates and accordingly, the effect of changes in interest rates would not impact the amount of interest expense that we incur under these mortgages. Our credit line is a variable rate facility which is sensitive to interest rates. However, for the nine months ended September 30, 2006, due to a low average balance outstanding on the credit line, we do not believe that the effect of changes in interest rates would materially impact the amount of interest expense incurred.

Item 4. - Controls and Procedures

As required under Rules 13a-15 (e) and 15d-15 (e) under the Securities Exchange Act of 1934, as amended, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of September 30, 2006 are effective.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the three months ended September 30, 2006 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In July 2005, Jeffrey Fishman resigned as our president, chief executive officer and a member of our Board of Directors following discovery of what appeared to be inappropriate financial dealings by Mr. Fishman with the former tenant of a movie theater property located in Brooklyn, NY, owned by a joint venture in which we are a 50% venture partner and the managing member. We had reported this matter to the Securities and Exchange Commission in July 2005. The Audit Committee of our Board of Directors conducted an investigation of this matter and related matters and retained special counsel to assist the committee in the investigation. This investigation was completed and the Audit Committee and its special counsel, based on the materials gathered and interviews conducted, found no evidence that any other officer or employee of the Company was aware of, or knowingly assisted in Mr. Fishman's inappropriate financial dealings.

On June 21, 2006 we announced that we had received notification of a formal order of investigation from the SEC. We believe that the matters being investigated by the SEC focus on the improper payments received by Mr. Fishman. The SEC has also requested information regarding "related party" transactions between the Company and entities affiliated with us and with certain of our officers and directors and compensation paid to certain of the Company's executive officers by those affiliates. Both the SEC and the Audit Committee and its counsel have been conducting concurrent investigations concerning these issues. The Company and its executive officers have fully cooperated with the investigations being conducted by the SEC and the Audit Committee and intend to continue to do so. As of this date, both investigations are on-going. Our direct legal expenses related to these investigations totaled $682,000 and $360,000, respectively, in the nine and three months ended September 30, 2006. Our direct legal expenses related to the investigation by the Audit Committee of our former president and chief executive officer totaled $560,000 in the year ended December 31, 2005. These expenses have continued in the current quarter (ended September 30, 2006) and we cannot at this time estimate the legal expenses we will incur with respect to these investigations in any future quarter.

Reference is made to Item 3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2005 with respect to civil litigations involving the former tenant of the Brooklyn property, Mr. Fishman and Britannia Management LLC, on one hand, and the Company and certain of its affiliated entities, on the other hand. For the nine and three months ended September 30, 2006, the Company incurred $105,000 and $12,000 in legal expenses related to the civil litigation and $63,000 for the year ended December 31, 2005. There has been no material change in the status of either litigation other than as discussed below. The litigations have been joined for discovery purposes and the Company amended its complaint to add additional parties including Mr. Fishman's and Mr. Adie's spouses. Mr. and Mrs. Fishman each made motions to dismiss which were granted in part and denied in part. The principal claims of fraud, breach of fiduciary and commercial bribery remain. In addition, the Court has granted the Company leave to pursue summary judgment against Mr. Fishman and further set a preliminary discovery schedule which will not be stayed during the pendency of the Company's motion. The motions were granted to limit the claims as against Mrs. Fishman to unjust enrichment for monies she has received from Mr. Adie or his entities and as against Mr. Fishman to dismiss certain claims including the RICO claims.

Item 6. Exhibits

Exhibit 31.1	Certification of Chairman of the Board and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed with this Form 10-Q.)
Exhibit 31.2	Certification of President pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed with this Form 10-Q.)
Exhibit 31.3	Certification of Senior Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed with this Form 10-Q.)
Exhibit 32.1	Certification of Chairman of the Board and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed with this Form 10-Q.)
Exhibit 32.2	Certification of President pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed with this Form 10-Q.)
Exhibit 32.3	Certification of Senior Vice President and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed with this Form 10-Q.)

ONE LIBERTY PROPERTIES, INC.

SIGNATURES

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

One Liberty Properties, Inc.
(Registrant)

November 7, 2006	/s/ Patrick J. Callan, Jr.
Date	Patrick J. Callan, Jr. President (authorized officer)

November 7, 2006 /s/ David W. Kalish

Date

David W. Kalish
Senior Vice President and
Chief Financial Officer
(principal financial officer)

EXHIBIT 31.1
CERTIFICATION

I, Fredric H. Gould, Chairman of the Board and Chief Executive Officer of One Liberty Properties, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 of One Liberty Properties, 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 officers and I are responsible for establishing and maintaining disclosure controls 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 Rule 13a-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 officers 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.

Date: November 7, 2006

/s/ Fredric H. Gould

Fredric H. Gould
Chairman of the Board and
Chief Executive Officer

EXHIBIT 31.2
CERTIFICATION

I, Patrick J. Callan, Jr., President of One Liberty Properties, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 of One Liberty Properties, 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 officers and I are responsible for establishing and maintaining disclosure controls 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 Rule 13a-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 officers 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.

Date: November 7, 2006

/s/ Patrick J. Callan, Jr.

Patrick J. Callan, Jr.
President

EXHIBIT 31.3
CERTIFICATION

I, David W. Kalish, Senior Vice President and Chief Financial Officer of One Liberty Properties, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 of One Liberty Properties, 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 officers and I are responsible for establishing and maintaining disclosure controls 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 Rule 13a-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 officers 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.

Date: November 7, 2006

/s/ David W. Kalish

David W. Kalish
Senior Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

The undersigned, Fredric H. Gould, Chairman of the Board and Chief Executive Officer of One Liberty Properties, Inc., (the "Registrant"), does hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based upon a review of the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 of the Registrant, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 7, 2006 /s/ Fredric H. Gould

Fredric H. Gould
Chairman of the Board and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF PRESIDENT

PURSUANT TO 18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

The undersigned, Patrick J. Callan, Jr., President of One Liberty Properties, Inc. (the "Registrant"), does hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based upon a review of the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 of the Registrant, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 7, 2006 /s/ Patrick J. Callan, Jr.

Patrick J. Callan, Jr.
President

EXHIBIT 32.3

CERTIFICATION OF SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

The undersigned, David W. Kalish, Senior Vice President and Chief Financial Officer of One Liberty Properties, Inc. (the "Registrant"), does hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based upon a review of the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 of the Registrant, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 7, 2006

/s/ David W. Kalish

David W. Kalish
Senior Vice President
and Chief Financial Officer