

ONE LIBERTY PROPERTIES INC
Form 424B5
February 09, 2011

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-169495

Prospectus Supplement
(To Prospectus dated January 5, 2011)

One Liberty Properties, Inc.

2,700,000 Shares

Common Stock

We are offering 2,700,000 shares of our common stock, par value \$1.00 per share.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol "OLP." On February 7, 2011, the last reported sale price of our common stock on the NYSE was \$16.44 per share.

Our common stock is subject to certain restrictions on ownership and transfer designed to preserve our qualification as a real estate investment trust, or REIT, for federal income tax purposes. See "Provisions of Maryland Law and of Our Charter and Bylaws Restrictions on Ownership and Transfer" on page 11 of the accompanying prospectus for more information about these restrictions.

Investing in our common stock involves risks. Before buying our securities you should carefully read this entire prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein, including the section of this prospectus supplement entitled "Risk Factors" beginning on page S-4, the section of the accompanying prospectus entitled "Risk Factors" on page 5 and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and to the extent applicable, our Quarterly Reports on Form 10-Q.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ 15.85	\$ 42,795,000
Underwriting discounts and commissions	\$ 0.72	\$ 1,944,000
Proceeds, before expenses, to us	\$ 15.13	\$ 40,851,000

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We have granted the underwriter an option to purchase up to 405,000 additional shares of our common stock exercisable, in whole or in part, at any time until 30 days after the date of this prospectus supplement.

The shares of our common stock will be ready for delivery in book-entry form through The Depository Trust Company on or about February 11, 2011.

Deutsche Bank Securities

The date of this prospectus supplement is February 8, 2011.

ABOUT THIS PROSPECTUS SUPPLEMENT

We are providing information to you about this offering of our common stock in two parts. The first part is this prospectus supplement, which provides the specific details regarding this offering. The second part is the accompanying prospectus, which provides general information, including information about our common stock. Some of the information in the accompanying prospectus may not apply to this offering. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, and any free writing prospectus we may authorize to be delivered to you. Neither we nor the underwriter has authorized any person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates or as of other dates which are specified in those documents, regardless of the time of delivery of this prospectus supplement or of any of our shares of common stock. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

References to "we," "us," "our" or the "Company" refer to the consolidated business of One Liberty Properties, Inc. and all of its subsidiaries. The term "you" refers to a prospective investor.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The Securities and Exchange Commission, or the SEC, allows us to "incorporate by reference" the information we file with the SEC, which means we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document which is incorporated by reference in this prospectus supplement or the accompanying prospectus is automatically updated and superseded if information contained in this prospectus supplement, the accompanying prospectus, or information we later file with the SEC modifies or replaces that information.

The documents listed below have been filed by us under the Securities Exchange Act of 1934, as amended, or the Exchange Act (File No. 001-09279), and are incorporated by reference in this prospectus supplement:

Our Annual Report on Form 10-K for the year ended December 31, 2009, filed on March 12, 2010, as amended by Form 10-K/A filed on December 28, 2010;

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010, June 30, 2010, and September 30, 2010 filed on May 7, 2010, August 6, 2010, and November 5, 2010, respectively;

Our Current Reports on Form 8-K filed on January 26, 2010, February 25, 2010, March 10, 2010 (except for information, including information in the exhibit, furnished pursuant to Item 2.02 of Form 8-K), April 26, 2010, May 27, 2010, June 14, 2010, June 21, 2010, August 2, 2010, September 15, 2010, October 12, 2010 (including the amendment thereto filed on October 20, 2010), December 28, 2010 and January 10, 2011;

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Our Definitive Proxy Statement on Schedule 14A, filed on April 29, 2010; and

The description of our shares of common stock contained in our Registration Statement on Form 8-A, filed on January 5, 2004, pursuant to Section 12(b) of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

In addition, all documents filed by us under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information that is deemed to have been "furnished" and not "filed" with the SEC) after the date of this prospectus supplement and prior to the termination of this offering, are incorporated by reference herein.

To obtain a free copy of any of the documents incorporated by reference in this prospectus supplement (other than exhibits, unless they are specifically incorporated by reference in the documents) please contact us at:

One Liberty Properties, Inc.
60 Cutter Mill Road
Great Neck, N.Y. 11021
Attention: Secretary
Tel: 516-466-3100

Our SEC filings also are available on our Internet website at www.onelibertyproperties.com. The information on our website is not, and you must not consider the information to be, a part of this prospectus supplement or the accompanying prospectus.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and our reports filed under the Exchange Act and incorporated by reference in this prospectus supplement and the accompanying prospectus and other offering materials and documents deemed to be incorporated by reference herein or therein contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act. 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," "could," "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions or variations thereof and include, without limitation, statements regarding our future estimated funds from operations (FFO) and the resulting yield. You should not rely on forward-looking statements 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. Factors which may cause actual results to differ materially from current expectations include, but are not limited to:

the financial condition of our tenants and the performance of their lease obligations;

general economic and business conditions, including those currently affecting our nation's economy and real estate markets;

the availability of and costs associated with sources of liquidity;

accessibility of debt and equity capital markets and our ability to renew or refinance our current debt obligations;

general and local real estate conditions, including any changes in the value of our real estate;

breach of credit facility covenants or other terms;

more competition for leasing of vacant space due to current economic conditions;

changes in governmental laws and regulations relating to real estate and related investments;

changes in tax laws;

the level and volatility of interest rates; and

competition in our industry.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus supplement or the accompanying prospectus, whether as a result of new information, future events or otherwise. In light of the factors referred to above, the future events discussed or incorporated by reference in this prospectus supplement or the accompanying prospectus may not occur and actual results, performance or achievements could differ materially from those anticipated or implied in the forward-looking statements.

PROSPECTUS SUPPLEMENT SUMMARY

This summary may not contain all of the information that is important to you. Before making a decision to purchase our common stock, you should carefully read this entire prospectus supplement and the accompanying prospectus, especially the "Risk Factors" section on page S-4 of this prospectus supplement, the "Risk Factors" section on page 5 of the accompanying prospectus and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and incorporated by reference herein, as well as the "Risk Factors" section in our Quarterly Reports on Form 10-Q, to the extent applicable, and the other documents incorporated by reference in this prospectus supplement and in the accompanying prospectus. Unless otherwise indicated, financial information included in this prospectus supplement is presented on an historical basis. Furthermore, unless otherwise indicated, all share amounts provided herein assume that the underwriter's option to purchase additional shares is not exercised.

Our Business

We are a self-administered and self-managed REIT. We were incorporated under the laws of the State of Maryland on December 20, 1982. We acquire, own and manage a geographically diversified portfolio of retail (including furniture and office supply stores), industrial, office, flex, health and fitness and other properties, a substantial portion of which are under long-term leases. Substantially all of our leases are "net leases" and ground leases under which the tenant is typically responsible for real estate taxes, insurance and ordinary maintenance and repairs. As of December 31, 2010, we owned 84 properties, two of which are vacant, and one of which is a 50% tenancy in common interest, and participated in four joint ventures that in the aggregate own four properties. Our properties and the properties owned by our joint ventures are located in 29 states and have an aggregate of approximately 5.1 million square feet of space (including approximately 106,000 square feet of space at the property in which we own a tenancy in common interest and approximately 1.1 million square feet of space at properties owned by the joint ventures in which we participate).

We have elected to be treated as a REIT for federal income tax purposes. In order to maintain our status as a REIT, we must comply with a number of requirements under federal income tax law that are discussed in "Federal Income Tax Considerations" on page 16 of the accompanying prospectus.

The address and phone number of our principal executive office is 60 Cutter Mill Road, Great Neck, N.Y. 11021 and 516-466-3100.

Recent Developments

In 2010, we acquired 14 properties for an aggregate purchase price of \$72.3 million (including the assumption of \$33.6 million in related mortgage debt). The properties are located in Pennsylvania, Connecticut, Missouri, Texas and New York.

During 2010, we declared and paid three quarterly cash dividends of \$.30 per share and one quarterly cash dividend (declared in December 2010 and paid in January 2011) of \$0.33 per share. We can offer no assurance that we will pay dividends in the future and with respect to the form (cash, stock or combination) of any future dividends.

THE OFFERING

The following is a brief summary of certain terms of this offering and is not intended to be complete. It does not contain all of the information that will be important to a purchaser of common stock. For a more complete description of our common stock, see "Description of Capital Stock" and "Provisions of Maryland Law and of our Charter and Bylaws" in the accompanying prospectus.

Issuer	One Liberty Properties, Inc.
Securities offered	2,700,000 shares of our common stock (3,105,000 shares of our common stock if the underwriter exercises its option to purchase additional shares in full).
Shares of common stock to be outstanding after the offering	14,359,740 shares of common stock (14,764,740 shares of common stock if the underwriter exercises its option to purchase additional shares in full). ⁽¹⁾
Use of proceeds	We expect the net proceeds to us from this offering to be approximately \$40.6 million (approximately \$46.7 million if the underwriter exercises its option to purchase additional shares in full), after deducting the underwriting discounts and commissions and our estimated offering expenses. We intend to use the net proceeds from this offering to repay indebtedness and for general corporate purposes, including to fund the future acquisition of properties. Pending any such use for general corporate purposes, any remaining net proceeds will be invested in interest-bearing accounts and short-term interest-bearing securities which are consistent with our qualification as a REIT under the Internal Revenue Code of 1986, as amended, or the Code. See "Use of Proceeds" on page S-7 of this prospectus supplement.
Listing	Our common stock is listed for trading on the NYSE under the symbol "OLP."
Restrictions on ownership	Subject to certain exceptions, our Articles of Incorporation, as amended and restated, restrict ownership of more than 9.9% of our shares of common stock in order to protect our status as a REIT for federal income tax purposes.
Tax consequences	The federal income tax consequences of purchasing, owning and disposing of our common stock are summarized in "Federal Income Tax Considerations" on page 16 of the accompanying prospectus.

- (1) The number of shares of common stock to be outstanding after this offering is based on 11,659,740 shares of common stock outstanding as of February 4, 2011.

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Settlement date	Delivery of the shares of common stock will be made against payment therefor on or about February 11, 2011.
Transfer agent	The transfer agent for our common stock is American Stock Transfer & Trust Company, LLC.
Risk factors	See the "Risk Factors" section on page S-4 of this prospectus supplement, the "Risk Factors" section on page 5 of the accompanying prospectus and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2009 and, to the extent applicable, our Quarterly Reports on Form 10-Q for other information you should consider before buying shares of our common stock.

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RISK FACTORS

Before you decide to purchase our common stock, you should be aware that there are risks in making this investment. You should carefully consider the risks described below, the "Risk Factors" section on page 5 of the accompanying prospectus, and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2009 and, to the extent applicable, in our Quarterly Reports on Form 10-Q, together with all other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before you decide to invest in shares of our common stock.

Risks Related to Our Business

A retail tenant is in default under its lease, has not paid three monthly rental payments nor real estate taxes and may not make such payments or other payments in the future, which could materially and adversely affect us.

A retail tenant, which rents one property from us, and for the nine months ended September 30, 2010, accounted for approximately \$1,154,000 or 3.7% of our rental income, is in default under its lease, has not paid an aggregate of \$350,000 in rent due for December 2010 through February 2011, nor the real estate tax of approximately \$290,000, which was due on January 31, 2011 for the year ended December 31, 2010. On February 1, 2011, this tenant advised us that due to limitations imposed by its lender, such tenant would not be paying our rent or the real estate tax nor would it be paying landlords of its other retail properties at this time. Despite the fact that the tenant has not paid its rent or the property taxes, mortgage interest and property taxes will continue to accrue and be payable with regard to the property.

This property has a book value on our balance sheet as of September 30, 2010 of approximately \$12.7 million, inclusive of \$624,000 of lease intangibles and straight-line rent, and is encumbered by a \$9.1 million non-recourse mortgage. In the event that the tenant seeks bankruptcy protection and rejects our lease, the lease is otherwise terminated or the tenant's financial condition deteriorates, we may be required to (i) take a charge relating to the reversal of the straight-lining of rent payments and net lease intangibles that we have accrued over the term of the lease to date in accordance with GAAP, resulting in a charge of approximately \$624,000 and (ii) consider whether there is any impairment to the value of the property. If this occurs, we currently estimate that it would cause our 2010 FFO guidance to fall short of the low end of our estimated range of \$1.60 to \$1.64 per share by approximately \$0.035 per share.

In the event this tenant seeks bankruptcy protection and/or continues to refrain from performing its obligations under the lease, we may (i) terminate the lease and attempt to relet the premises (which may take considerable time and be on terms less favorable to us than currently provided under the lease), (ii) attempt to sell the property (which may be at a sales price less than the book value of the property), and/or (iii) cease making the mortgage payments due on such property (in which case the mortgagee will foreclose on the property). The occurrence of any one or more of the foregoing events could materially and adversely affect our revenue, net income (including through the taking of an impairment charge that may be equal to or greater than our net equity in the property), FFO, cash flow and financial condition.

Risks Related to this Offering and Our Common Stock

The market price and trading volume of our common stock could be volatile and could decline, resulting in a substantial or complete loss of your investment.

The stock markets, including the NYSE, which is the exchange on which we list our common stock, have experienced significant price and volume fluctuations. As a result, the market price of our common stock could be similarly volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. Some of the factors that could negatively affect our stock price or result in fluctuations in the price or trading volume of our common stock include:

our actual or projected operating results, financial condition, cash flows and liquidity, or changes in business strategy or prospects;

equity issuances by us, or share resales by our stockholders, or the perception that such issuances or resales may occur;

actual or anticipated accounting problems;

publication of research reports about us or the real estate industry;

changes in market valuations of similar companies;

adverse market reaction to the level of leverage we employ;

additions to or departures of our key personnel;

speculation in the press or investment community;

our failure to meet, or the lowering of, our earnings' estimates or those of any securities analysts;

increases in market interest rates, which may lead investors to demand a higher distribution yield for our common stock and would result in increased interest expenses on our debt;

failure to maintain our REIT qualification;

price and volume fluctuations in the stock market generally; and

general market and economic conditions, including the current state of the credit and capital markets.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in their share price. This type of litigation could result in substantial costs and divert our management's attention and resources.

A substantial number of shares may be sold in the market following this offering, which may depress the market price for our common stock.

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Sales of a substantial number of shares of our common stock in the public market following this offering could cause the market price of our common stock to decline. Upon completion of this offering, we will have outstanding an aggregate of approximately 14.4 million shares of common stock (or approximately 14.8 million shares of common stock if the underwriter exercises its option to purchase additional shares in full). A substantial majority of the outstanding shares of our common stock are, and all of the shares sold in this offering upon issuance will be, freely tradable without restriction or further registration under

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the Securities Act unless these shares are purchased by affiliates. Furthermore, we may issue additional shares of our common stock, preferred stock, or securities convertible into or exchangeable for our common stock. Holders of shares of our common stock have no preemptive rights that entitle them to purchase their pro rata share of any offering of shares of any class or series. Therefore, it may not be possible for existing stockholders to participate in such future stock issuances, which may dilute the existing stockholders' interests in us. Also, we cannot predict the effect, if any, of future sales of our common stock, or the availability of shares for future sales, on the market price of our common stock. Sales of substantial amounts of common stock or the perception that such sales could occur may adversely affect the prevailing market price for our common stock.

Our management will have broad discretion with respect to the use of the proceeds of this offering.

Although we have described the intended use of proceeds for this offering in this prospectus supplement, our management will have broad discretion as to the application of these net proceeds and could use them for purposes other than those contemplated at the time of this offering. Our stockholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds.

We may issue debt and equity securities or securities convertible into equity securities, any of which may be senior to our common stock as to distribution and in liquidation.

In the future, we may issue additional debt or equity securities or securities convertible into or exchangeable for equity securities, or we may enter into debt-like financing that is unsecured or secured by any or all of our properties. Such securities may be senior to our common stock as to distributions. In addition, in the event of our liquidation, our lenders and holders of our debt and preferred securities would receive distributions of our available assets before distributions to the holders of our common stock.

You will experience immediate dilution in the book value per share of the common stock you purchase.

You will suffer immediate dilution in the net tangible book value of the common stock you purchase in this offering because the price per share of our common stock being offered hereby is higher than the net tangible book value of such stock, which, as of September 30, 2010, was \$14.15 per share.

USE OF PROCEEDS

We expect the net proceeds to us from this offering to be approximately \$40.6 million (approximately \$46.7 million if the underwriter exercises its option to purchase additional shares in full), after deducting the underwriting discounts and commissions and our estimated offering expenses.

We intend to use the net proceeds from this offering to repay indebtedness and for general corporate purposes, including to fund the future acquisition of properties. As of February 4, 2011, we had a \$6.1 million mortgage (bearing interest at 8.03% per annum and maturing August 1, 2012), a \$1.6 million mortgage (bearing interest at 7.375% per annum and maturing on October 1, 2024, subject to earlier call on 90 days' notice) and approximately \$36.2 million outstanding on our revolving line of credit (bearing interest at 6% per annum and maturing March 31, 2013). We intend to use the net proceeds from this offering as follows: first, to repay the two mortgages, second, to reduce the amount outstanding on our revolving line of credit, and third, for general corporate purposes, including to fund the future acquisition of properties. Pending any such use for general corporate purposes, any remaining net proceeds will be invested in interest-bearing accounts and short-term interest-bearing securities which are consistent with our qualification as a REIT under the Code.

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UNDERWRITING

Subject to the terms and conditions of the underwriting agreement, Deutsche Bank Securities Inc., as underwriter, has agreed to purchase from us 2,700,000 shares of our common stock at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement.

The underwriting agreement provides that the obligation of the underwriter to purchase the shares of common stock offered hereby is subject to certain conditions precedent and that the underwriter will purchase all of the shares of common stock offered by this prospectus supplement, other than those covered by the option to purchase additional shares described below, if any of these shares are purchased.

We have been advised by the underwriter that it proposes to offer the shares of our common stock to the public at the public offering price set forth on the cover of this prospectus supplement and to dealers at a price that represents a concession not in excess of \$0.30 per share under the public offering price. The underwriter may allow, and these dealers may re-allow, a concession of not more than \$0.10 per share to other dealers. If all the common stock is not sold at the public offering price, the underwriter may change the offering price and other selling terms.

We have granted to the underwriter an option, exercisable not later than 30 days after the date of this prospectus supplement, to purchase up to 405,000 additional shares of common stock at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement. To the extent that the underwriter exercises this option, the underwriter will become obligated, subject to conditions, to purchase all of these additional shares of common stock. We will be obligated, pursuant to the option, to sell these additional shares of common stock to the underwriter to the extent the option is exercised. If any additional shares of common stock are purchased, the underwriter will offer the additional shares on the same terms as those on which the 2,700,000 shares are being offered.

The underwriting discounts and commissions per share are equal to the public offering price per share of common stock less the amount paid by the underwriter to us per share of common stock. We have agreed to pay the underwriter the following discounts and commissions, assuming either no exercise or full exercise by the underwriter of its option to purchase additional shares:

	Total Fees		
	Without	With Full	
	Exercise of	Exercise of	
Fee per	Underwriter's	Underwriter's	
share	Option	Option	
Discounts and commissions paid by us	\$ 0.72	\$ 1,944,000	\$ 2,235,600

In addition, we estimate that our share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$265,000.

We have agreed to indemnify the underwriter against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriter may be required to make in respect of any of these liabilities.

Each of our officers and directors has agreed not to, directly or indirectly, offer, sell, pledge, contract to sell, grant any option to purchase or otherwise dispose of, or enter into any transaction that is designed to or reasonably expected to lead to or result in the disposition of any shares of our common stock or other securities convertible into or

exchangeable or exercisable for shares of our common stock or derivatives of our common stock owned by these persons prior to this offering or common stock issuable upon exercise of options or warrants held by these persons for a period of 60 days after the date of this prospectus supplement without the prior written consent of Deutsche Bank Securities Inc. This consent may be given at any time without public notice. Transfers or dispositions can be made during the lock-up period in the case of (i) shares acquired in open market transactions after the completion of this offering, (ii) securities disposed of for the purpose of satisfying tax withholding obligations relating to the vesting of any restricted stock, or (iii) gifts or for estate planning purposes where the donee signs a lock-up agreement. We have entered into a similar agreement with the underwriter, except that without such consent we may issue shares of our common stock in connection with our dividend reinvestment plan or pursuant to our equity incentive plan.

Notwithstanding the foregoing, if, subject to certain exceptions, (i) during the last 17 days of the 60-day restricted period we release earnings results or material news or a material event relating to us occurs, or (ii) prior to the expiration of the 60-day restricted period, we announce that we will release earnings results during the 16-day period following the last day of the 60-day period, the above restrictions continue to apply until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event.

In connection with the offering, the underwriter may purchase and sell shares of our common stock in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the underwriter of a greater number of shares than it is required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriter's option to purchase additional shares of common stock from us in the offering. The underwriter may close out any covered short position by either exercising its option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through the underwriter's option.

Naked short sales are any sales in excess of the option to purchase additional shares. The underwriter must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of the shares in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of our common stock made by the underwriter in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of our common stock. Additionally, these purchases may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

This prospectus supplement and the accompanying prospectus may be made available in electronic format on Internet websites maintained by the underwriter. Other than this prospectus supplement and the accompanying prospectus, in electronic format, the information on the underwriter's website and any information contained in any other website

maintained by the underwriter is not part of this prospectus supplement or the accompanying prospectus, or the registration statement of which the prospectus and this prospectus supplement form a part.

The underwriter and/or its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. They receive customary fees and commissions for these services.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the shares of common stock, or the possession, circulation or distribution of this prospectus supplement, the accompanying prospectus or any other material relating to us or the shares where action for that purpose is required. Accordingly, the shares may not be offered or sold, directly or indirectly, and neither this prospectus supplement, the accompanying prospectus nor any other offering material or advertisements in connection with the shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

The underwriter may arrange to sell the shares offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where it is permitted to do so.

European Economic Area

In relation to each Member State of the European Economic Area (the "EEA") that has implemented the Prospectus Directive, as defined below (each, a "Relevant Member State"), an offer to the public of any shares of common stock that are the subject of the offering contemplated in this prospectus supplement may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any of the shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) at any time to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- (b) by the underwriter to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than "qualified investors," as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the underwriter for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the shares shall result in a requirement for us or the underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer within the EEA of the shares that are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus should only do so in circumstances in which no obligation arises for us or the underwriter to produce a prospectus for such offer. Neither we nor the underwriter has authorized, or will authorize, the making of any offer of the shares offered hereby through any financial intermediary, other than offers made by the underwriter that constitute the final offering of the securities contemplated in this prospectus supplement and the accompanying prospectus.

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For the purposes of this provision and the buyer's representation below, the expression an "offer of securities to the public" in relation to the shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any of the shares that are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus will be deemed to have represented, warranted and agreed to and with the underwriter and us that:

- (a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (b) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors," as defined in the Prospectus Directive, or in circumstances in which the prior consent of the underwriter has been given to the offer or resale; or (ii) where the shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")), in connection with the issue or sale of the shares of common stock, has only been, and will only be, communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to us.

Anything in relation to the shares of common stock in, from or otherwise involving the United Kingdom, has been, and may only be done, in compliance with all applicable provisions of the FSMA.

Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority ("FINMA") as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of June 23, 2006, as amended ("CISA"), and accordingly, the shares being offered pursuant to this prospectus supplement and the accompanying prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the shares have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the shares offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The shares may solely be offered to "qualified investors," as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of November 22, 2006, as amended ("CISO"), such that there is no public offer.

Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus supplement and the accompanying prospectus and any other materials relating to the shares are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus supplement and the accompanying prospectus may only be used by those qualified investors to whom they have been handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than their recipients. They may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus supplement and the accompanying prospectus do not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the shares on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this prospectus supplement and the accompanying prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

Dubai International Financial Centre

This prospectus supplement and the accompanying prospectus relate to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This prospectus supplement and the accompanying prospectus is intended for distribution only to persons of a type specified in those rules. They must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this prospectus supplement and the accompanying prospectus nor taken steps to verify the information set out herein and therein, and has no responsibility for them. The shares that are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered hereby should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement and the accompanying prospectus, you should consult an authorized financial adviser.

Hong Kong

The shares of common stock may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances that do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares of common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The shares of common stock offered in this prospectus supplement have not been registered under the Financial Instruments and Exchange Law of Japan. The shares of common stock have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to a resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Singapore

Neither this prospectus supplement nor the accompanying prospectus has been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of common stock may not be circulated or distributed, nor may the shares of common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of common stock pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

LEGAL MATTERS

SNR Denton US LLP will issue an opinion regarding the validity of the shares of our common stock offered by this prospectus supplement. In addition, the discussion under the caption "Federal Income Tax Considerations" in the accompanying prospectus, to the extent that it constitutes matters of law or legal conclusions, is based on the tax opinion of Sonnenschein Nath & Rosenthal LLP, a predecessor to SNR Denton US LLP. Certain legal matters in connection with this offering will be passed upon for the underwriter by Sidley Austin LLP.

EXPERTS

The consolidated financial statements of One Liberty Properties, Inc. appearing in One Liberty Properties, Inc.'s Current Report on Form 8-K dated December 28, 2010 for the year ended December 31, 2009 (including a schedule appearing therein), and the effectiveness of One Liberty Properties, Inc.'s internal control over financial reporting as of December 31, 2009 included in One Liberty Properties, Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2009 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and schedule are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

We are subject to the informational requirements of the Exchange Act, and in accordance with those requirements, we file reports and other information with the SEC. The reports and other information can be inspected and copied at the public reference facilities maintained by the SEC at Room 1580, 100 F Street, N.E., Washington, D.C. 20549. Copies of this material can be obtained by mail from the Public Reference Section of the SEC at Room 1580, 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other materials that are filed through the SEC Electronic Data Gathering, Analysis and Retrieval (EDGAR) system. In addition, our common stock is listed on the NYSE and we are required to file reports, proxy and information statements and other information with the NYSE. These documents can be inspected at the principal office of the NYSE, 20 Broad Street, New York, New York 10005. We have filed with the SEC a registration statement on Form S-3 (Registration File No. 333-169495), as amended, covering the common stock offered by this prospectus supplement. You should be aware that this prospectus supplement does not contain all of the information contained or incorporated by reference in that registration statement and its exhibits and schedules. You may inspect and obtain the registration statement, including exhibits, schedules, reports and other information that we have filed with the SEC, as described in the preceding paragraph. Statements contained in this prospectus supplement concerning the contents of any document we refer you to are not necessarily complete and in each instance we refer you to the applicable document filed with the SEC for more complete information.

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PROSPECTUS

ONE LIBERTY PROPERTIES, INC.

\$250,000,000

Common Stock

Preferred Stock

Warrants

Subscription Rights

We may offer and sell, from time to time, together or separately, in one or more offerings, (i) shares of our common stock, par value \$1.00 per share, (ii) shares of our preferred stock, par value \$1.00 per share, which we may issue in one or more series, (iii) warrants to purchase our equity securities and (iv) subscription rights, up to a maximum aggregate offering price of \$250,000,000.

We will offer our securities in amounts, at prices and on the terms to be determined at the time we offer the securities. Each time we offer securities, we will provide a supplement to this prospectus that will contain more specific information about the terms of that offering, including the price at which those securities will be sold. We may also add, update or change in the prospectus supplement any of the information contained in this prospectus. Our common stock is listed for trading on the New York Stock Exchange under the trading symbol "OLP." Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

The securities may be offered on a delayed or continuous basis and may be offered and sold directly by us, through agents, underwriters or dealers as designated from time to time, through a combination of these methods or through any other method provided in the applicable prospectus supplement. If any underwriters are involved in the sale of the securities, the names of such underwriters and any applicable commissions or discounts will be set forth in a prospectus supplement. For additional information on the methods of sale of the securities, you should refer to the section entitled "Plan of Distribution" in this prospectus and to the corresponding section in the applicable prospectus supplement. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement or a free writing prospectus.

We are organized and conduct our operations so as to qualify as a real estate investment trust, or REIT, for federal income tax purposes. The specific terms of the securities may include limitations on actual, beneficial or constructive ownership and restrictions on the transfer of the securities that may be appropriate to preserve our status as a REIT.

Investing in our securities involves risks. Before buying our securities, you should refer to the risk factors included in our periodic reports, the applicable prospectus supplement relating to the offering and other information that we file with the Securities and Exchange Commission. See "Risk Factors" on page 5 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is January 5, 2011

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the United States Securities and Exchange Commission (the "SEC"), utilizing a "shelf" registration process, which allows us to sell the securities covered by this prospectus from time to time, together or separately, in one or more offerings up to an aggregate public offering price of \$250,000,000.

This prospectus only provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a supplement to this prospectus that will contain specific information about the terms of that offering, including the number of securities, and the price at which, and the specific manner in which, those securities may be offered and sold. The prospectus supplement may also add to, update or change information contained in this prospectus. Before purchasing any securities, you should carefully read both this prospectus and any supplement, together with additional information described under the heading "Where You Can Find More Information."

You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement or amendment. We have not authorized any other person to provide you information different from that contained in this prospectus or incorporated by reference in this prospectus or any prospectus supplement or amendment. You should assume that the information appearing in this prospectus or any applicable prospectus supplement or the documents incorporated by reference herein or therein is accurate only as of the date on the cover page. Our business, financial condition, results of operations and prospects may have changed since that date.

In this prospectus, references to "OLP," "Company," "we," "us," "our," and "registrant" refer to One Liberty Properties, Inc. and all of its subsidiaries. The phrase "this prospectus" refers to this prospectus and the applicable prospectus supplement, unless the context otherwise requires. References to "securities" refer to the common stock, preferred stock, warrants and subscription rights offered by this prospectus, unless we specify or the context indicates or requires otherwise.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our electronic filings with the SEC are available to the public on the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 800-SEC-0330 for more information about their Public Reference Room and their copy charges.

The SEC allows us to "incorporate by reference" the information we file with the SEC, which means that we can disclose information to you by referring you to those documents. Any information that we refer to in this manner is considered part of this prospectus. Any information that we file with the SEC after the date of this prospectus will automatically update and supersede the information contained in this prospectus.

We are incorporating by reference the following documents that we have previously filed with the SEC (Commission File No. 001-09279), except for any document or portion thereof "furnished" to the SEC pursuant to Item 2.02 or Item 7.01 of Form 8-K:

Our Annual Report on Form 10-K for the year ended December 31, 2009, filed on March 12, 2010, including information incorporated by reference therein to our Definitive Proxy Statement filed pursuant to Regulation 14A on April 29, 2010;

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010, filed on May 5, 2010 and August 6, 2010, respectively;

Our Current Reports on Form 8-K filed on January 26, February 25, March 10, April 26, May 27, June 14, June 21, August 2 and September 15, 2010; and

The description of our shares of common stock contained in our Registration Statement on Form 8-A, filed on January 5, 2004, pursuant to Section 12(b) of the Exchange Act, as amended, including any amendment or report filed for the purpose of updating such description.

All documents and reports filed by us with the SEC (other than Current Reports on Form 8-K furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K, unless otherwise indicated therein) pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date that the registration statement of which this prospectus is a part is first filed with the SEC and prior to the termination of this offering shall be deemed incorporated by reference in this prospectus and shall be deemed to be a part of this prospectus from the date of filing of such documents and reports. Any statement in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement in this prospectus or in any subsequently filed document or report incorporated or deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall only be deemed to constitute a part of this prospectus as it is so modified or superseded.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request of such person, a copy of any or all of the documents incorporated by reference in this prospectus but not delivered with the prospectus, other than exhibits, unless such exhibits specifically are incorporated by reference into such documents or this prospectus.

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Requests for such documents should be addressed in writing or by telephone to: Mark H. Lundy, Secretary, One Liberty Properties, Inc., 60 Cutter Mill Road, Great Neck, N.Y. 11021 or 516-466-3100.

WHO WE ARE

We are a self-administered and self-managed real estate investment trust, also known as a REIT. We acquire, own and manage a geographically diversified portfolio of retail (including furniture and office supply stores), industrial, office, flex, health and fitness and other properties, a substantial portion of which are under long-term leases. Substantially all of our leases are "net leases" and ground leases under which the tenant is typically responsible for real estate taxes, insurance and ordinary maintenance and repairs.

We were incorporated under the laws of the State of Maryland on December 20, 1982. We have elected to be treated as a REIT for U.S. federal income tax purposes. In order to maintain our status as a REIT, we must comply with a number of requirements under federal income tax law that are discussed in "Federal Income Tax Considerations" beginning on page 16 of this prospectus. Additional information regarding our business can be found under the heading "Business" contained in Part I, Item 1 in our most recent Annual Report on Form 10-K.

The address and phone number of our principal executive office is 60 Cutter Mill Road, Great Neck, N.Y. 11021 and 516-466-3100. Our website address is: www.onelibertyproperties.com.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and other documents we file with the SEC prospectus and our reports filed under the Exchange Act and incorporated by reference in this prospectus and other documents we file with the SEC and other offering materials and documents deemed to be incorporated by reference herein or therein contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, 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," "could," "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions or variations thereof and include, without limitation, statements regarding our future estimated funds from operations (FFO) and the resulting yield. You should not rely on forward-looking statements 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. Factors which may cause actual results to differ materially from current expectations include, but are not limited to:

the financial condition of our tenants and the performance of their lease obligations;

general economic and business conditions, including those currently affecting our nation's economy and real estate markets;

the availability of and costs associated with sources of liquidity;

accessibility of debt and equity capital markets and our ability to renew or refinance our current debt obligations;

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general and local real estate conditions, including any changes in the value of our real estate;

breach of credit facility covenants or other terms;

more competition for leasing of vacant space due to current economic conditions;

changes in governmental laws and regulations relating to real estate and related investments;

the level and volatility of interest rates;

competition in our industry; and

the other risks described under "Risk Factors" in our most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and any Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q that we file after the date the registration statement to which this prospectus relates is first filed and prior to the termination of the offering.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus and other documents we file with the SEC, whether as a result of new information, future events or otherwise. In light of the factors referred to above, the future events discussed or incorporated by reference in this prospectus and other documents we file with the SEC may not occur and actual results, performance or achievements could differ materially from those anticipated or implied in the forward-looking statements.

RISK FACTORS

Before you invest in any of our securities, in addition to the other information in this prospectus and the applicable prospectus supplement, you should carefully consider the risk factors under the heading "Risk Factors" contained in Part I, Item 1A in our most recent Annual Report on Form 10-K and any risk factors disclosed under the heading "Risk Factors" in Part II, Item 1A in any Quarterly Report on Form 10-Q that we file after our most recent Annual Report on Form 10-K, which are incorporated by reference into this prospectus and the applicable prospectus supplement, as the same may be updated from time to time by our future filings under the Exchange Act.

The risks and uncertainties we describe are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business or operations. Any adverse effect on our business, financial condition or operating results could result in a decline in the value of the securities and the loss of all or part of your investment.

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USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we anticipate that the net proceeds from the sale of the securities that we may offer under this prospectus will be used for the acquisition of additional real estate properties and for general corporate purposes. General corporate purposes may include repayment of debt, capital expenditures and any other purposes that we may specify in the applicable prospectus supplement. If a material part of the net proceeds is used to repay indebtedness, we will set forth the interest rate and maturity of such indebtedness in a prospectus supplement, as required.

We will have significant discretion in the use of any net proceeds. Investors will be relying on the judgment of our management regarding the application of the proceeds from any sale of the securities. We may invest the net proceeds temporarily until we use them for their stated purpose.

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DESCRIPTION OF CAPITAL STOCK

The following paragraphs constitute a summary as of the date of this prospectus and do not purport to be a complete description of our capital stock. The following paragraphs are qualified in their entirety by reference to our Articles of Incorporation, as amended and restated, our Bylaws, as amended, and Maryland law. For a complete description of our capital stock, we refer you to our Articles of Incorporation, as amended and restated, and our Bylaws, as amended, each of which is incorporated by reference in this prospectus and any accompanying prospectus supplement.

General

Our Articles of Incorporation, as amended and restated, which we refer to herein as our "charter," provides that we may issue up to 37,500,000 shares of stock, consisting of 25,000,000 shares of common stock, par value \$1.00 per share, and 12,500,000 shares of preferred stock, par value \$1.00 per share. We refer to our common stock and preferred stock collectively as "capital stock." As of September 17, 2010, 11,481,617 shares of common stock (including 320,065 shares awarded under restricted stock grants subject to vesting conditions, but not including 200,000 restricted stock units that were granted as performance awards) and no shares of preferred stock were outstanding. We may issue additional shares of capital stock, either independently or together with other offered securities. The shares of capital stock may be attached to or separate from those offered securities. For a description of restrictions on ownership and transfer that apply to our capital stock, please refer to "Provisions of Maryland Law and of our Charter and Bylaws Restrictions on Ownership and Transfer."

Common Stock

Subject to the preferential rights of any other shares or series of capital stock, holders of shares of our common stock are entitled to receive distributions on such shares if, as and when authorized and declared by our board of directors out of assets legally available and to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding-up after payment of, or adequate provision for, all known debts and liabilities.

Each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors. There is no cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of our common stock, voting as one class, can elect all of the directors then standing for election and the holders of the remaining shares of our common stock will not be able to elect any directors. Holders of shares of common stock have no preference, conversion, sinking fund, redemption, exchange or preemptive rights to subscribe for any of our securities.

Our board of directors is authorized by our charter to take such action, in addition to the other provisions contained in the charter, as it deems necessary or advisable, to protect the Company and the interests of shareholders by preserving our status as a REIT. The charter authorizes our board of directors to refuse or prevent a transfer of shares of our capital stock to any person whose acquisition of such shares would, in the opinion of our board of directors, result in our disqualification as a REIT. In addition, any transfer of our capital stock that, if effective, would result in a shareholder owning shares in excess of the ownership limit set forth in our charter (as described under "Provisions of Maryland Law and of our Charter and Bylaws Restrictions on Ownership and Transfer"), in our shares of capital stock being

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owned by less than 100 persons or in the Company being "closely held" shall be void from the date of the purported transfer.

Pursuant to the Maryland General Corporation Law (the "MGCL"), a corporation generally cannot (except under and in compliance with specifically enumerated provisions of the MGCL) dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business unless approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter, unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter provides for approval of any such action by a majority of the votes entitled to be cast in the matter, except that an amendment to our charter changing the rights, privileges or preferences of any class or series of outstanding stock must be approved by not