

DUKE REALTY CORP
Form 10-K
February 24, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

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

For the transition period from to .

Commission File Number: 1-9044

DUKE REALTY CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

| | |
|---|---|
| Indiana | 35-1740409 |
| (State or Other Jurisdiction of Incorporation or Organization) | (IRS Employer Identification Number) |
| 600 East 96 th Street, Suite 100 | 46240 |
| Indianapolis, Indiana | (Zip Code) |

Registrant's telephone number, including area code: (317) 808-6000

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class: | Name of Each Exchange on Which Registered: |
|---|--|
| Common Stock (\$.01 par value) | New York Stock Exchange |
| Depository Shares, each representing a 1/10 interest in a 6.625% | |
| Series J Cumulative Redeemable Preferred Share (\$.01 par value) | New York Stock Exchange |
| Depository Shares, each representing a 1/10 interest in a 6.5% | |
| Series K Cumulative Redeemable Preferred Share (\$.01 par value) | New York Stock Exchange |
| Depository Shares, each representing a 1/10 interest in a 6.6% | |
| Series L Cumulative Redeemable Preferred Share (\$.01 par value) | New York Stock Exchange |
| Depository Shares, each representing 1/10 interest in a 6.95% | |
| Series M Cumulative Redeemable Preferred Share (\$.01 par value) | New York Stock Exchange |
| Depository Shares, each representing a 1/10 interest in an 8.375% | New York Stock Exchange |

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Series O Cumulative Redeemable Preferred Share (\$.01 par value)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer ☒ Accelerated filer Non-accelerated filer Smaller reporting company

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

The aggregate market value of the voting shares of the registrant's outstanding common shares held by non-affiliates of the registrant is \$3.5 billion based on the last reported sale price on June 30, 2011.

The number of common shares, \$.01 par value outstanding as of February 21, 2012 was 259,044,241.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of Duke Realty Corporation's Definitive Proxy Statement for its 2012 Annual Meeting of Shareholders (the "Proxy Statement") to be filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934, as amended, are incorporated by reference into this Form 10-K. Other than those portions of the Proxy Statement specifically incorporated by reference pursuant to Items 10 through 14 of Part III hereof, no other portions of the Proxy Statement shall be deemed so incorporated.

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IMPORTANT INFORMATION ABOUT THIS REPORT

In this Annual Report on Form 10-K (this “Report”), the words “Duke,” “the Company,” “we,” “us” and “our” refer to Duke Realty Corporation and its subsidiaries, as well as Duke Realty Corporation’s predecessors and their subsidiaries. “DRLP” refers to our subsidiary, Duke Realty Limited Partnership.

Cautionary Notice Regarding Forward-Looking Statements

Certain statements contained in or incorporated by reference into this Report, including, without limitation, those related to our future operations, constitute “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. The words “believe,” “estimate,” “expect,” “anticipate,” “intend,” “plan,” “seek,” “may” and similar expressions or statements regarding future periods are intended to identify forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this Report or in the information incorporated by reference into this Report. Some of the risks, uncertainties and other important factors that may affect future results include, among others:

Changes in general economic and business conditions, including, without limitation, the continuing impact of the economic down-turn, which is having and may continue to have a negative effect on the fundamentals of our business, the financial condition of our tenants, and the value of our real estate assets;

Our continued qualification as a real estate investment trust (“REIT”) for U.S. federal income tax purposes;

Heightened competition for tenants and potential decreases in property occupancy;

Potential changes in the financial markets and interest rates;

Volatility in our stock price and trading volume;

Our continuing ability to raise funds on favorable terms;

Our ability to successfully identify, acquire, develop and/or manage properties on terms that are favorable to us;

Potential increases in real estate construction costs;

Our ability to successfully dispose of properties on terms that are favorable to us;

Our ability to retain our current credit ratings;

Inherent risks in the real estate business, including, but not limited to, tenant defaults, potential liability relating to environmental matters and liquidity of real estate investments; and

Other risks and uncertainties described herein, as well as those risks and uncertainties discussed from time to time in our other reports and other public filings with the Securities and Exchange Commission (“SEC”).

Although we presently believe that the plans, expectations and results expressed in or suggested by the forward-looking statements are reasonable, all forward-looking statements are inherently subjective, uncertain and subject to change, as they involve substantial risks and uncertainties beyond our control. New factors emerge from time to time, and it is not possible for us to predict the nature, or assess the potential impact, of each new factor on our business. Given these uncertainties, we caution you to not place undue reliance on these forward-looking statements. We undertake no obligation to update or revise any of our forward-looking statements for events or circumstances that arise after the statement is made, except as otherwise may be required by law.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. Additional information regarding risk factors that may affect us is included under the caption "Risk Factors" in this Report, and is updated by us from time to time in Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings that we make with the SEC.

PART I

Item 1. Business

Background

We are a self-administered and self-managed REIT, which began operations upon completion of our initial public offering in February 1986. In October 1993, we completed an additional common stock offering and acquired the rental real estate and service businesses of Duke Associates, whose operations began in 1972. As of December 31, 2011, our diversified portfolio of 748 rental properties (including 126 jointly controlled in-service properties with approximately 25.3 million square feet, five consolidated properties under development with more than 639,000 square feet and one jointly controlled property under development with approximately 274,000 square feet) encompasses more than 136.5 million rentable square feet and is leased by a diverse base of approximately 3,000 tenants whose businesses include government services, manufacturing, retailing, wholesale trade, distribution, healthcare and professional services. We also own, including through ownership interests in unconsolidated joint ventures, more than 4,800 acres of land and control an additional 1,630 acres through purchase options.

Our headquarters and executive offices are located in Indianapolis, Indiana. In addition, we have 17 regional offices or significant operations in Alexandria, Virginia; Atlanta, Georgia; Baltimore, Maryland; Chicago, Illinois; Cincinnati, Ohio; Columbus, Ohio; Dallas, Texas; Houston, Texas; Minneapolis, Minnesota; Nashville, Tennessee; Orlando, Florida; Phoenix, Arizona; Raleigh, North Carolina; St. Louis, Missouri; Savannah, Georgia; Tampa, Florida; and Weston, Florida. We had more than 850 employees as of December 31, 2011.

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for information related to our operations, asset and capital strategies.

Reportable Operating Segments

We have three reportable operating segments, the first two of which consist of the ownership and rental of (i) office and (ii) industrial real estate investments. The operations of our office and industrial properties, along with our medical office and retail properties, are collectively referred to as "Rental Operations." Our medical office and retail properties do not by themselves meet the quantitative thresholds for separate presentation as reportable segments.

The third reportable segment consists of providing various real estate services such as property management, asset management, maintenance, leasing, development and construction management to third-party property owners and joint ventures, and is collectively referred to as “Service Operations.” Our reportable segments offer different products or services and are managed separately because each segment requires different operating strategies and management expertise. Our Service Operations segment also includes our taxable REIT subsidiary, a legal entity through which certain of the segment’s operations are conducted.

We assess and measure our overall operating results based upon an industry performance measure referred to as Funds From Operations (“FFO”), which management believes is a useful indicator of our consolidated operating performance. See Item 6, “Selected Financial Data”, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 8, “Financial Statements and Supplementary Data” for disclosures and financial information related to our use of FFO as an internal measure of operating performance.

See Item 6, “Selected Financial Data”, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 8, “Financial Statements and Supplementary Data” for financial information related to our reportable segments.

Competitive Conditions

As a fully integrated commercial real estate firm, we provide in-house leasing, management, development and construction services which, coupled with our significant base of commercially zoned and unencumbered land in existing business parks, should give us a competitive advantage as a real estate operator and in future development activities.

We believe that the management of real estate opportunities and risks can be done most effectively at regional or local levels. As a result, we intend to continue our emphasis on increasing our market share and effective rents in the primary markets where we own properties. We believe that this regional focus will allow us to assess market supply and demand for real estate more effectively as well as to capitalize on the strong relationships with our tenant base. In addition, we seek to further capitalize on strong customer relationships to provide third-party construction services across the United States. As a fully integrated real estate company, we are able to arrange for or provide to our industrial, office and medical office customers not only well located and well maintained facilities, but also additional services such as build-to-suit construction, tenant finish construction, and expansion flexibility.

All of our properties are located in areas that include competitive properties. Institutional investors, other REITs or local real estate operators generally own such properties; however, no single competitor or small group of competitors is dominant in our current markets. The supply and demand of similar available rental properties may affect the rental rates we will receive on our properties. Other competitive factors include the attractiveness of the property location, the quality of the property and tenant services provided, and the reputation of the owner and operator. In addition, our Service Operations face competition from a considerable number of other real estate companies that provide comparable services, some of whom may have greater marketing and financial resources than are available to us.

Corporate Governance

Since our inception, we not only have strived to be a top-performer operationally, but also to lead in issues important to investors such as disclosure and corporate governance. Our system of governance reinforces this commitment. Summarized below are the highlights of our Corporate Governance initiatives.

| | |
|-------------------|--|
| Board Composition | <ul style="list-style-type: none"> • Our Board is controlled by supermajority (92.3%) of “Independent Directors”, as such term is defined under the rules of the New York Stock Exchange (the “NYSE”) as of January 30, 2012 and thereafter |
| Board Committees | <ul style="list-style-type: none"> • Our Board Committee members are all Independent Directors |
| Lead Director | <ul style="list-style-type: none"> • The Chairman of our Corporate Governance Committee serves as Lead Director of the Independent Directors |
| Board Policies | <ul style="list-style-type: none"> • No Shareholder Rights Plan (Poison Pill) • Code of Conduct applies to all Directors and employees, including the Chief Executive Officer and senior financial officers; waivers applied to executive officers require the vote of a majority of our Board of Directors or our Corporate Governance Committee • Orientation program for new Directors • Independence of Directors is reviewed annually • Independent Directors meet at least quarterly in executive sessions • Independent Directors receive no compensation from Duke other than as Directors • Equity-based compensation plans require shareholder approval • Board effectiveness and performance is reviewed annually by our Corporate Governance Committee • Corporate Governance Committee conducts an annual review of the Chief Executive Officer succession plan • Independent Directors and all Board Committees may retain outside advisors, as they deem appropriate • Policy governing retirement age for Directors • Prohibition on repricing of outstanding stock options • Directors required to offer resignation upon job change • Majority voting for election of Directors • Shareholder Communications Policy |
| Ownership | Minimum Stock Ownership Guidelines apply to all Directors and Executive Officers |

Our Code of Conduct (which applies to all Directors and employees, including the Chief Executive Officer and senior financial officers) and the Corporate Governance Guidelines are available in the Investor Relations/Corporate Governance section of our website at www.dukerealty.com. A copy of these documents may also be obtained without charge by writing to Duke Realty Corporation, 600 East 96th Street, Suite 100, Indianapolis, Indiana 46240, Attention: Investor Relations. If we amend our Code of Conduct as it applies to the Directors, Chief Executive Officer or senior financial officers or grant a waiver from any provision of the Code of Conduct to any such person, we may, rather than filing a current report on Form 8-K, disclose such amendment or waiver in the Investor Relations/Corporate Governance section of our website at www.dukerealty.com.

Additional Information

For additional information regarding our investments and operations, see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and Item 8, “Financial Statements and Supplementary Data.” For additional information about our business segments, see Item 8, “Financial Statements and Supplementary Data.”

Available Information and Exchange Certifications

In addition to this Report, we file quarterly and special reports, proxy statements and other information

with the SEC. All documents that are filed with the SEC are available free of charge on our corporate website, which is www.dukerealty.com. We are not incorporating the information on our website into this Report, and our website and the information appearing on our website is not included in, and is not part of, this Report. You may also read and copy any document filed at the public reference facilities of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information about the public reference facilities. These documents also may be accessed through the SEC's Interactive Data Electronic Application ("IDEA") via the SEC's home page on the Internet (<http://www.sec.gov>). In addition, since some of our securities are listed on the NYSE, you may read our SEC filings at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

The NYSE requires that the Chief Executive Officer of each listed company certify annually to the NYSE that he or she is not aware of any violation by the company of NYSE corporate governance listing standards as of the date of such certification. We submitted the certification of our Chairman and Chief Executive Officer, Dennis D. Oklak, with our 2011 Annual Written Affirmation to the NYSE on May 11, 2011.

We included the certifications of our Chief Executive Officer and our Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 and related rules, relating to the quality of the Company's public disclosure, in this Report as Exhibits 31.1 and 31.2.

Item 1A. Risk Factors

In addition to the other information contained in this Report, you should carefully consider, in consultation with your legal, financial and other professional advisors, the risks described below, as well as the risk factors and uncertainties discussed in our other public filings with the SEC under the caption "Risk Factors" in evaluating us and our business before making a decision regarding an investment in our securities.

The risks contained in this Report are not the only risks that we face. Additional risks that are not presently known, or that we presently deem to be immaterial, also could have a material adverse effect on our financial condition, results of operations, business and prospects. The trading price of our securities could decline due to the materialization of any of these risks, and our shareholders may lose all or part of their investment.

This Report also contains forward-looking statements that may not be realized as a result of certain factors, including, but not limited to, the risks described herein and in our other public filings with the SEC. Please refer to the section in this Report entitled "Cautionary Notice Regarding Forward-Looking Statements" for additional information regarding forward-looking statements.

Risks Related to Our Business

Our use of debt financing could have a material adverse effect on our financial condition.

We are subject to the risks normally associated with debt financing, including the risk that our cash flow will be insufficient to meet required principal and interest payments and the long-term risk that we will be unable to refinance our existing indebtedness, or that the terms of such refinancing will not be as favorable as the terms of existing indebtedness. Additionally, we may not be able to refinance borrowings at our unconsolidated subsidiaries on favorable terms or at all. If our debt cannot be paid, refinanced or extended, we may not be able to make distributions to shareholders at expected levels. Further, if prevailing interest rates or other factors at the time of a refinancing result in higher interest rates or other restrictive financial covenants upon the refinancing, then such refinancing would adversely affect our cash flow and funds available for operation, development and distribution.

We are also subject to financial covenants under our existing debt instruments. Should we fail to comply with the covenants in our existing debt instruments, then we would not only be in breach under the applicable debt instruments but we would also likely be unable to borrow any further amounts under our other debt instruments, which could adversely affect our ability to fund operations. We also have incurred, and may incur in the future, indebtedness that bears interest at variable rates. Thus, if market interest rates increase, so will our interest expense, which could reduce our cash flow and our ability to make distributions to shareholders at expected levels.

Debt financing may not be available and equity issuances could be dilutive to our shareholders.

Our ability to execute our business strategy depends on our access to an appropriate blend of debt financing, including unsecured lines of credit and other forms of secured and unsecured debt, and equity financing, including common and preferred equity. Debt financing may not be available over a longer period of time in sufficient amounts, on favorable terms or at all. If we issue additional equity securities, instead of debt, to manage capital needs, the interests of our existing shareholders could be diluted.

Financial and other covenants under existing credit agreements could limit our flexibility and adversely affect our financial condition.

The terms of our various credit agreements and other indebtedness require that we comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. These covenants may limit our flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we have satisfied our payment obligations. If we are unable to refinance our indebtedness at maturity or meet our payment obligations, the amount of our distributable cash flow would be adversely affected.

Downgrades in our credit ratings could increase our borrowing costs or reduce our access to funding sources in the credit and capital markets.

We have a significant amount of debt outstanding, consisting mostly of unsecured debt. We are currently assigned corporate credit ratings from Moody's Investors Service, Inc. and Standard and Poor's Ratings Group based on their evaluation of our creditworthiness. All of our debt ratings remain investment grade, but there can be no assurance that we will not be downgraded or that any of our ratings will remain investment grade. If our credit ratings are downgraded or other negative action is taken, we could be required, among other things, to pay additional interest and fees on outstanding borrowings under our revolving credit agreement.

Credit rating reductions by one or more rating agencies could also adversely affect our access to funding sources, the cost and other terms of obtaining funding as well as our overall financial condition, operating results and cash flow. If we are unable to generate sufficient capital and liquidity, then we may be unable to pursue future development projects and other strategic initiatives.

To complete our ongoing and planned development projects, and to pursue our other strategic initiatives, we must continue to generate sufficient capital and liquidity to fund those activities. To generate that capital and liquidity, we rely upon funds from our existing operations, as well as funds that we raise through our capital raising activities. In the event that we are unable to generate sufficient capital and liquidity to meet our long-term needs, or if we are unable to generate capital and liquidity on terms that are favorable to us, then we may not be able to pursue development projects, acquisitions, or our other long-term strategic initiatives.

Our stock price and trading volume may be volatile, which could result in substantial losses to our shareholders. The market price of our common and preferred stock could change in ways that may or may not be related to our business, our industry or our operating performance and financial condition. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. Some of the factors that could negatively affect our share price, or result in fluctuations in the price or trading volume of our common stock, include uncertainty in the markets, general market and economic conditions, as well as those factors described in these “Risk Factors” and in other reports that we file with the SEC.

Many of these factors are beyond our control, and we cannot predict their potential effects on the price of our common and preferred stock. If the market prices of our common and preferred stock decline, then our shareholders may be unable to resell their shares upon terms that are attractive to them. We cannot assure that the market price of our common and preferred stock will not fluctuate or decline significantly in the future. In addition, the securities markets in general may experience considerable unexpected price and volume fluctuations.

We may issue debt and equity securities which are senior to our common stock and preferred stock as to distributions and in liquidation, which could negatively affect the value of our common and preferred stock.

In the future, we may attempt to increase our capital resources by entering into debt or debt-like financing that is unsecured or secured by certain of our assets, or issuing debt or equity securities, which could include issuances of secured or unsecured commercial paper, medium-term notes, senior notes, subordinated notes, preferred stock or common stock. In the event of our liquidation, our lenders and holders of our debt securities would receive a distribution of our available assets before distributions to the holders of our common stock and preferred stock. Our preferred stock has a preference over our common stock with respect to distributions and upon liquidation, which could further limit our ability to make distributions to our common shareholders. Any additional preferred stock that we may issue may have a preference over our common stock and existing series of preferred stock with respect to distributions and upon liquidation.

We may be required to seek commercial credit and issue debt securities to manage our capital needs. Because our decision to incur debt and issue securities in our future offerings will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings and debt financings. Further, market conditions could require us to accept less favorable terms for the issuance of our securities in the future. Thus, our shareholders will bear the risk of our future offerings reducing the value of their shares of common stock and diluting their interest in us.

Our use of joint ventures may negatively impact our jointly-owned investments.

We currently have joint ventures that are not consolidated with our financial statements. We may develop and acquire properties in joint ventures with other persons or entities when circumstances warrant the use of these structures. Our participation in joint ventures is subject to the risks that:

- We could become engaged in a dispute with any of our joint venture partners that might affect our ability to develop or operate a property;
- Our joint venture partners may have different objectives than we have regarding the appropriate timing and terms of any sale or refinancing of properties;
- Our joint venture partners may have competing interests in our markets that could create conflict

of interest issues; and

Maturities of debt encumbering our jointly owned investments may not be able to be refinanced at all or on terms that are as favorable as the current terms.

Risks Related to the Real Estate Industry

Our net earnings available for investment or distribution to shareholders could decrease as a result of factors related to the ownership and operation of commercial real estate that are outside of our control.

Our business is subject to the risks incident to the ownership and operation of commercial real estate, many of which involve circumstances not within our control. Such risks include the following:

Changes in the general economic climate;

The availability of capital on favorable terms, or at all;

Increases in interest rates;

Local conditions such as oversupply of property or a reduction in demand;

Competition for tenants;

Changes in market rental rates;

Oversupply or reduced demand for space in the areas where our properties are located;

Delay or inability to collect rent from tenants who are bankrupt, insolvent or otherwise unwilling or unable to pay;

Difficulty in leasing or re-leasing space quickly or on favorable terms;

Costs associated with periodically renovating, repairing and reletting rental space;

Our ability to provide adequate maintenance and insurance on our properties;

Our ability to control variable operating costs;

Changes in government regulations; and

Potential liability under, and changes in, environmental, zoning, tax and other laws.

Further, a significant portion of our costs, such as real estate taxes, insurance and maintenance costs and our debt service payments, are generally not reduced when circumstances cause a decrease in cash flow from our properties.

Any one or more of these factors could result in a reduction in our net earnings available for investment or distribution to shareholders.

Many real estate costs are fixed, even if income from properties decreases.

Our financial results depend on leasing space in our real estate to tenants on terms favorable to us. Our income and funds available for distribution to our shareholders will decrease if a significant number of our tenants cannot meet their lease obligations to us or we are unable to lease properties on favorable terms. In addition, if a tenant does not pay its rent, we may not be able to enforce our rights as landlord without delays and we may incur substantial legal costs. Costs associated with real estate investment, such as real estate taxes and maintenance costs, generally are not reduced when circumstances cause a reduction in income from the investment.

Our real estate development activities are subject to risks particular to development.

We continue to selectively develop new, pre-leased properties for rental operations in our existing markets when accretive returns are present. These development activities generally require various government and other approvals, which we may not receive. In addition, we also are subject to the following risks associated with development activities:

- Unsuccessful development opportunities could result in direct expenses to us;

- Construction costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or possibly unprofitable;

- Time required to complete the construction of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting our cash flow and liquidity;

- Occupancy rates and rents of a completed project may not be sufficient to make the project profitable; and

- Favorable sources to fund our development activities may not be available.

We may be unsuccessful in operating completed real estate projects.

We face the risk that the real estate projects we develop or acquire will not perform in accordance with our expectations. This risk exists because of factors such as the following:

- Prices paid for acquired facilities are based upon a series of market judgments; and

- Costs of any improvements required to bring an acquired facility up to standards to establish the market position intended for that facility might exceed budgeted costs.

We are exposed to the risks of defaults by tenants.

Any of our tenants may experience a downturn in their businesses that may weaken their financial condition. In the event of default or the insolvency of a significant number of our tenants, we may experience a substantial loss of rental revenue and/or delays in collecting rent and incur substantial costs in enforcing our rights as landlord. If a tenant files for bankruptcy protection, a court could allow the tenant to reject and terminate its lease with us. Our income and distributable cash flow would be adversely affected if a significant number of our tenants became unable to meet their obligations to us, became insolvent or declared bankruptcy.

We may be unable to renew leases or relet space.

When our tenants decide not to renew their leases upon their expiration, we may not be able to relet the space. Even if our tenants do renew or we are able to relet the space, the terms of renewal or reletting (including the cost of renovations, if necessary) may be less favorable than current lease terms. If we are unable to promptly renew the leases or relet the space, or if the rental rates upon such renewal or reletting are significantly lower than current rates, then our income and distributable cash flow would be adversely affected, especially if we were unable to lease a significant amount of the space vacated by tenants in our properties.

Our insurance coverage on our properties may be inadequate.

We maintain comprehensive insurance on each of our facilities, including property, liability, and environmental coverage. We believe this coverage is of the type and amount customarily obtained for real property. However, there are certain types of losses, generally of a catastrophic nature, such as

earthquakes, hurricanes and floods or acts of war or terrorism that may be uninsurable or not economically insurable. We use our discretion when determining amounts, coverage limits and deductibles for insurance. These terms are determined based on retaining an acceptable level of risk at a reasonable cost. This may result in insurance coverage that in the event of a substantial loss would not be sufficient to pay the full current replacement cost of our lost investment. Inflation, changes in building codes and ordinances, environmental considerations and other factors also may make it unfeasible to use insurance proceeds to replace a facility after it has been damaged or destroyed. Under such circumstances, the insurance proceeds we receive may not be adequate to restore our economic position in a property. If an insured loss occurred, we could lose both our investment in and anticipated profits and cash flow from a property, and we would continue to be obligated on any mortgage indebtedness or other obligations related to the property. We are also subject to the risk that our insurance providers may be unwilling or unable to pay our claims when made.

Our acquisition and disposition activity may lead to long-term dilution.

Our asset strategy is to reposition our investment concentration among product types and further diversify our geographic presence. There can be no assurance that we will be able to execute the repositioning of our assets according to our strategy or that our execution will lead to improved results.

Acquired properties may expose us to unknown liability.

From time to time, we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if a liability were asserted against us based upon ownership of those properties, we might have to pay substantial sums to settle or contest it, which could adversely affect our results of operations and cash flow. Unknown liabilities with respect to acquired properties might include:

- liabilities for clean-up of undisclosed environmental contamination;
- claims by tenants, vendors or other persons against the former owners of the properties;
- liabilities incurred in the ordinary course of business; and
- claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

We could be exposed to significant environmental liabilities as a result of conditions of which we currently are not aware.

As an owner and operator of real property, we may be liable under various federal, state and local laws for the costs of removal or remediation of certain hazardous substances released on or in our property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of the hazardous substances. In addition, we could have greater difficulty in selling real estate on which hazardous substances were present or in obtaining borrowings using such real estate as collateral. It is our general policy to have Phase I environmental audits performed for all of our properties and land by qualified environmental consultants at the time of purchase. These Phase I environmental audits have not revealed any environmental liability that would have a material adverse effect on our business. However, a Phase I environmental audit does not involve invasive procedures such as soil sampling or ground water analysis, and we cannot be sure that the Phase I environmental audits did not fail to reveal a significant environmental liability or that a prior owner did not create a material environmental condition on our properties or land which has not yet been discovered. We could also incur environmental liability as a result of future uses or conditions of such real estate or changes in applicable environmental laws.

We are exposed to the potential impacts of future climate change and climate-change related risks.

We are exposed to potential physical risks from possible future changes in climate. Our properties may be exposed to rare catastrophic weather events, such as severe storms and/or floods. If the frequency of extreme weather events increases due to climate change, our exposure to these events could increase.

We do not currently consider that we are exposed to regulatory risk related to climate change. However, we may be adversely impacted as a real estate developer in the future by stricter energy efficiency standards for buildings.

Risks Related to Our Organization and Structure

If we were to cease to qualify as a REIT, we and our shareholders would lose significant tax benefits.

We intend to continue to operate so as to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). Qualification as a REIT provides significant tax advantages to us and our shareholders. However, in order for us to continue to qualify as a REIT, we must satisfy numerous requirements established under highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. Satisfaction of these requirements also depends on various factual circumstances not entirely within our control. The fact that we hold our assets through an operating partnership and its subsidiaries further complicates the application of the REIT requirements. Even a technical or inadvertent mistake could jeopardize our REIT status. Although we believe that we can continue to operate so as to qualify as a REIT, we cannot offer any assurance that we will continue to do so or that legislation, new regulations, administrative interpretations or court decisions will not significantly change the qualification requirements or the federal income tax consequences of qualification. If we were to fail to qualify as a REIT in any taxable year, it would have the following effects:

- We would not be allowed a deduction for distributions to shareholders and would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;

- Unless we were entitled to relief under certain statutory provisions, we would be disqualified from treatment as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT;

- Our net earnings available for investment or distribution to our shareholders would decrease due to the additional tax liability for the year or years involved; and

- We would no longer be required to make any distributions to shareholders in order to qualify as a REIT.

As such, failure to qualify as a REIT would likely have a significant adverse effect on the value of our securities. REIT distribution requirements limit the amount of cash we have available for other business purposes, including amounts that we need to fund our future capital needs.

To maintain our qualification as a REIT under the Code, we must annually distribute to our shareholders at least 90% of our ordinary taxable income, excluding net capital gains. We intend to continue to make distributions to our shareholders to comply with the 90% distribution requirement. However, this requirement limits our ability to accumulate capital for use for other business purposes. If we do not have sufficient cash or other liquid assets to meet the distribution requirements, we may have to borrow funds or sell properties on adverse terms in order to meet the distribution requirements. If we fail to make a

required distribution, we would cease to qualify as a REIT.

U.S. federal income tax treatment of REITs and investments in REITs may change, which may result in the loss of our tax benefits of operating as a REIT.

The present U.S. federal income tax treatment of a REIT and an investment in a REIT may be modified by legislative, judicial or administrative action at any time. Revisions in U.S. federal income tax laws and interpretations of these laws could adversely affect us and the tax consequences of an investment in our common shares.

We are subject to certain provisions that could discourage change-of-control transactions, which may reduce the likelihood of our shareholders receiving a control premium for their shares.

Indiana anti-takeover legislation and certain provisions in our governing documents, as we discuss below, may discourage potential acquirers from pursuing a change-of-control transaction with us. As a result, our shareholders may be less likely to receive a control premium for their shares.

Unissued Preferred Stock. Our charter permits our board of directors to classify unissued preferred stock by setting the rights and preferences of the shares at the time of issuance. This power enables our board to adopt a shareholder rights plan, also known as a poison pill. Although we have repealed our previously existing poison pill and our current board of directors has adopted a policy not to issue preferred stock as an anti-takeover measure, our board can change this policy at any time. The adoption of a poison pill would discourage a potential bidder from acquiring a significant position in the company without the approval of our board.

Business-Combination Provisions of Indiana Law. We have not opted out of the business-combination provisions of the Indiana Business Corporation Law. As a result, potential bidders may have to negotiate with our board of directors before acquiring 10% of our stock. Without securing board approval of the proposed business combination before crossing the 10% ownership threshold, a bidder would not be permitted to complete a business combination for five years after becoming a 10% shareholder. Even after the five-year period, a business combination with the significant shareholder would either be required to meet certain per share price minimums as set forth in the Indiana Business Corporation Law or to receive the approval of a majority of the disinterested shareholders.

Control-Share-Acquisition Provisions of Indiana Law. We have not opted out of the provisions of the Indiana Business Corporation Law regarding acquisitions of control shares. Therefore, those who acquire a significant block (at least 20%) of our shares may only vote a portion of their shares unless our other shareholders vote to accord full voting rights to the acquiring person. Moreover, if the other shareholders vote to give full voting rights with respect to the control shares and the acquiring person has acquired a majority of our outstanding shares, the other shareholders would be entitled to special dissenters' rights.

Supermajority Voting Provisions. Our charter prohibits business combinations or significant disposition transactions with a holder of 10% of our shares unless:

- The holders of 80% of our outstanding shares of capital stock approve the transaction;
- The transaction has been approved by three-fourths of those directors who served on the board before the shareholder became a 10% owner; or

- The significant shareholder complies with the "fair price" provisions of our charter.

Among the transactions with large shareholders requiring the supermajority shareholder approval are dispositions of assets with a value greater than or equal to \$1,000,000 and business combinations.

Operating Partnership Provisions. The limited partnership agreement of DRLP contains provisions that could discourage change-of-control transactions, including a requirement that holders of at least 90% of the outstanding partnership units held by us and other unit holders approve:

- Any voluntary sale, exchange, merger, consolidation or other disposition of all or substantially all of the assets of DRLP in one or more transactions other than a disposition occurring upon a financing or refinancing of DRLP;
- Our merger, consolidation or other business combination with another entity unless after the transaction substantially all of the assets of the surviving entity are contributed to DRLP in exchange for units;
- Our assignment of our interests in DRLP other than to one of our wholly-owned subsidiaries; and
- Any reclassification or recapitalization or change of outstanding shares of our common stock other than certain changes in par value, stock splits, stock dividends or combinations.

We are dependent on key personnel.

Our executive officers and other senior officers have a significant role in the success of our Company. Our ability to retain our management group or to attract suitable replacements should any members of the management group leave our Company is dependent on the competitive nature of the employment market. The loss of services from key members of the management group or a limitation in their availability could adversely impact our financial condition and cash flow. Further, such a loss could be negatively perceived in the capital markets.

Item 1B. Unresolved Staff Comments

We have no unresolved comments with the SEC staff regarding our periodic or current reports under the Exchange Act.

Item 2. Properties

Product Review

As of December 31, 2011, we own interests in a diversified portfolio of 748 commercial properties encompassing more than 136.5 million net rentable square feet (including 126 jointly controlled in-service properties with approximately 25.3 million square feet, five consolidated properties under development with more than 639,000 square feet and one jointly controlled property under development with approximately 274,000 square feet). Industrial Properties: We own interests in 495 industrial properties encompassing more than 107.4 million square feet (79% of total square feet). These properties primarily consist of bulk warehouses (industrial warehouse/distribution centers with clear ceiling heights of 20 feet or more), but also include service center properties (also known as flex buildings or light industrial, having 12-18 foot clear ceiling heights and a combination of drive-up and dock-height loading access). Of these properties, 427 buildings with more than 90.6 million square feet are consolidated and 68 buildings with more than 16.8 million square feet are jointly controlled. Office Properties: We own interests in 203 office buildings totaling more than 23.7 million square feet (17% of total square feet). These properties include primarily suburban office properties. Of these properties, 149 buildings with more than 16.3 million square feet are consolidated and 54 buildings with approximately 7.4 million square feet are jointly controlled.

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Other Properties: We own interests in 50 medical office and retail buildings totaling approximately 5.4 million square feet (4% of total square feet). Of these properties, 45 buildings with approximately 4.0 million square feet are consolidated and five buildings with approximately 1.4 million square feet are jointly controlled.

Land: We own, including through ownership interests in unconsolidated joint ventures, more than 4,800 acres of land and control an additional 1,630 acres through purchase options.

Property Descriptions

The following tables represent the geographic highlights of consolidated and jointly controlled in-service properties in our primary markets.

Consolidated Properties

| | Square Feet | | | | Percent of Overall | Annual Net Effective Rent (1) | Percent of Annual Net Effective Rent | | |
|---------------------|-------------|------------|-----------|-------------|--------------------|-------------------------------|--------------------------------------|---|--|
| | Industrial | Office | Other | Overall | | | | | |
| Primary Market | | | | | | | | | |
| Indianapolis | 15,922,595 | 2,726,476 | 1,099,070 | 19,748,141 | 17.9 | % \$103,018,531 | 18.0 | % | |
| Cincinnati | 10,460,424 | 3,604,321 | 138,798 | 14,203,543 | 12.9 | % 66,979,687 | 11.7 | % | |
| South Florida | 4,689,788 | 1,406,411 | 390,942 | 6,487,141 | 5.9 | % 54,505,021 | 9.5 | % | |
| Raleigh | 3,028,181 | 2,641,494 | 289,518 | 5,959,193 | 5.4 | % 54,017,789 | 9.4 | % | |
| St. Louis | 3,691,755 | 2,681,290 | — | 6,373,045 | 5.8 | % 39,243,047 | 6.9 | % | |
| Chicago | 9,376,382 | 128,498 | 56,531 | 9,561,411 | 8.7 | % 38,245,811 | 6.7 | % | |
| Atlanta | 7,819,477 | 548,534 | 403,339 | 8,771,350 | 8.0 | % 34,714,883 | 6.1 | % | |
| Nashville | 3,252,010 | 989,249 | 120,660 | 4,361,919 | 4.0 | % 32,831,221 | 5.7 | % | |
| Dallas | 7,060,095 | — | 279,127 | 7,339,222 | 6.7 | % 26,177,424 | 4.6 | % | |
| Savannah | 7,113,946 | — | — | 7,113,946 | 6.4 | % 21,208,822 | 3.7 | % | |
| Columbus | 6,608,537 | — | 73,238 | 6,681,775 | 6.1 | % 20,456,098 | 3.6 | % | |
| Central Florida | 3,360,479 | — | 84,130 | 3,444,609 | 3.1 | % 16,445,534 | 2.9 | % | |
| Minneapolis | 3,719,834 | — | — | 3,719,834 | 3.4 | % 15,366,785 | 2.7 | % | |
| Houston | 1,718,380 | — | 168,850 | 1,887,230 | 1.7 | % 11,317,566 | 2.0 | % | |
| Cleveland | — | 1,054,681 | — | 1,054,681 | 1.0 | % 9,529,341 | 1.7 | % | |
| Washington DC | 78,560 | 219,464 | 289,855 | 587,879 | 0.5 | % 7,438,933 | 1.3 | % | |
| Southern California | 612,671 | — | — | 612,671 | 0.6 | % 3,967,897 | 0.7 | % | |
| Phoenix | 1,048,965 | — | — | 1,048,965 | 1.0 | % 3,791,717 | 0.7 | % | |
| San Antonio | — | — | 110,739 | 110,739 | 0.1 | % 3,287,412 | 0.6 | % | |
| Baltimore | 462,070 | — | — | 462,070 | 0.4 | % 2,696,875 | 0.5 | % | |
| Austin | — | — | 180,222 | 180,222 | 0.2 | % 2,556,165 | 0.4 | % | |
| Norfolk | 466,000 | — | — | 466,000 | 0.4 | % 2,290,177 | 0.4 | % | |
| Other (2) | 120,000 | — | — | 120,000 | 0.1 | % 2,160,000 | 0.4 | % | |
| Total | 90,610,149 | 16,000,418 | 3,685,019 | 110,295,586 | 100.0 | % \$572,246,736 | 100.0 | % | |
| | 82.2 | % 14.5 | % 3.3 | % 100.0 | % | | | | |

Jointly Controlled Properties
Square Feet

| | Industrial | Office | Other | Overall | Percent of Overall | Annual Net Effective Rent (1) | Percent of Annual Net Effective Rent | |
|-----------------|------------|-----------|-----------|------------|-----------------------|-------------------------------------|--|---|
| Primary Market | | | | | | | | |
| Indianapolis | 4,308,919 | — | — | 4,308,919 | 17.0 | % \$2,045,276 | 3.5 | % |
| Cincinnati | 211,486 | 541,504 | 206,315 | 959,305 | 3.8 | % 2,109,873 | 3.6 | % |
| South Florida | — | 610,712 | — | 610,712 | 2.4 | % 2,551,723 | 4.4 | % |
| Raleigh | — | 687,549 | — | 687,549 | 2.7 | % 3,809,007 | 6.6 | % |
| St. Louis | — | 252,378 | — | 252,378 | 1.0 | % 741,537 | 1.3 | % |
| Chicago | — | 203,304 | — | 203,304 | 0.8 | % 555,799 | 1.0 | % |
| Atlanta | — | 436,275 | — | 436,275 | 1.7 | % 2,294,988 | 4.0 | % |
| Nashville | — | 180,147 | — | 180,147 | 0.7 | % 595,267 | 1.0 | % |
| Dallas | 7,770,278 | 182,700 | 520,786 | 8,473,764 | 33.5 | % 14,525,973 | 25.1 | % |
| Columbus | 1,142,400 | 704,292 | — | 1,846,692 | 7.3 | % 2,244,413 | 3.9 | % |
| Central Florida | 908,422 | 624,796 | — | 1,533,218 | 6.1 | % 3,854,797 | 6.7 | % |
| Minneapolis | — | 537,018 | 381,922 | 918,940 | 3.6 | % 5,283,947 | 9.1 | % |
| Houston | — | 248,925 | — | 248,925 | 1.0 | % 749,459 | 1.3 | % |
| Washington DC | 658,322 | 2,146,775 | — | 2,805,097 | 11.1 | % 14,655,321 | 25.3 | % |
| Phoenix | 1,829,735 | — | — | 1,829,735 | 7.2 | % 1,866,609 | 3.2 | % |
| Total | 16,829,562 | 7,356,375 | 1,109,023 | 25,294,960 | 100.0 | % \$57,883,989 | 100.0 | % |
| | 66.5 | % 29.1 | % 4.4 | % 100.0 | % | | | |

| | Occupancy % | | | | | Jointly Controlled Properties | | | | | | |
|---------------------|-------------------------|--------|---------|---------|--|-------------------------------|---------|---------|---------|---|--|--|
| | Consolidated Properties | | | | | | | | | | | |
| | Industrial | Office | Other | Overall | | Industrial | Office | Other | Overall | | | |
| Primary Market | | | | | | | | | | | | |
| Indianapolis | 97.4 | % 91.9 | % 89.8 | % 96.2 | | % 91.5 | % — | — | 91.5 | % | | |
| Cincinnati | 91.5 | % 80.0 | % 95.8 | % 88.6 | | % 100.0 | % 98.6 | % 100.0 | % 99.2 | % | | |
| South Florida | 83.0 | % 80.7 | % 93.6 | % 83.1 | | % — | 95.4 | % — | 95.4 | % | | |
| Raleigh | 96.6 | % 87.9 | % 93.6 | % 92.6 | | % — | 89.4 | % — | 89.4 | % | | |
| St. Louis | 87.6 | % 78.6 | % — | 83.8 | | % — | 80.7 | % — | 80.7 | % | | |
| Chicago | 98.5 | % 98.3 | % 88.1 | % 98.4 | | % — | 81.2 | % — | 81.2 | % | | |
| Atlanta | 77.2 | % 94.0 | % 88.8 | % 78.8 | | % — | 51.1 | % — | 51.1 | % | | |
| Nashville | 95.9 | % 92.2 | % 100.0 | % 95.2 | | % — | 100.0 | % — | 100.0 | % | | |
| Dallas | 93.3 | % — | 68.8 | % 92.4 | | % 86.3 | % 100.0 | % 95.4 | % 87.2 | % | | |
| Savannah | 91.8 | % — | — | 91.8 | | % — | — | — | — | | | |
| Columbus | 96.2 | % — | 100.0 | % 96.3 | | % 100.0 | % 88.0 | % — | 95.4 | % | | |
| Central Florida | 90.1 | % — | 80.5 | % 89.9 | | % 100.0 | % 84.0 | % — | 93.5 | % | | |
| Minneapolis | 86.0 | % — | — | 86.0 | | % — | 100.0 | % 74.1 | % 89.2 | % | | |
| Houston | 95.3 | % — | 96.1 | % 95.4 | | % — | 100.0 | % — | 100.0 | % | | |
| Cleveland | — | 70.8 | % — | 70.8 | | % — | — | — | — | | | |
| Washington DC | 91.5 | % 42.5 | % 90.2 | % 72.6 | | % 80.1 | % 92.1 | % — | 89.2 | % | | |
| Southern California | 100.0 | % — | — | 100.0 | | % — | — | — | — | | | |
| Phoenix | 84.5 | % — | — | 84.5 | | % 100.0 | % — | — | 100.0 | % | | |
| San Antonio | — | — | 100.0 | % 100.0 | | % — | — | — | — | | | |
| Baltimore | 100.0 | % — | — | 100.0 | | % — | — | — | — | | | |
| Austin | — | — | 73.5 | % 73.5 | | % — | — | — | — | | | |
| Norfolk | 100.0 | % — | — | 100.0 | | % — | — | — | — | | | |
| Other (2) | 100.0 | % — | — | 100.0 | | % — | — | — | — | | | |
| Total | 92.1 | % 83.4 | % 89.2 | % 90.8 | | % 90.7 | % 89.6 | % 88.9 | % 90.3 | % | | |

Represents the average annual rental property revenue due from tenants in occupancy as of December 31, 2011, (1)excluding additional rent due as operating expense reimbursements, landlord allowances for operating expenses and percentage rents. Joint venture properties are shown at our ownership percentage.

(2)Represents properties not located in our primary markets.

Item 3. Legal Proceedings

We are not subject to any material pending legal proceedings, other than routine litigation arising in the ordinary course of business. Our management expects that these ordinary routine legal proceedings will be covered by insurance and does not expect these legal proceedings to have a material adverse effect on our financial condition, results of operations, or liquidity.

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed for trading on the NYSE under the symbol "DRE." The following table sets forth the high and low sales prices of our common stock for the periods indicated and the dividend paid per share during each such period. As of February 21, 2012, there were 8,266 record holders of our common stock.

| Quarter Ended | 2011 | | | 2010 | | |
|---------------|---------|--------|----------|---------|---------|----------|
| | High | Low | Dividend | High | Low | Dividend |
| December 31 | \$12.77 | \$9.29 | \$0.170 | \$12.98 | \$10.85 | \$0.170 |
| September 30 | 14.83 | 9.83 | 0.170 | 12.60 | 10.19 | 0.170 |
| June 30 | 15.63 | 13.15 | 0.170 | 14.35 | 10.66 | 0.170 |
| March 31 | 14.34 | 12.45 | 0.170 | 13.37 | 10.26 | 0.170 |

On January 25, 2012, we declared a quarterly cash dividend of \$0.17 per share, payable on February 29, 2012, to common shareholders of record on February 15, 2012.

A summary of the tax characterization of the dividends paid per common share for the years ended December 31, 2011, 2010 and 2009 follows:

| | 2011 | 2010 | 2009 | |
|--------------------------------|--------|---------|---------|---|
| Total dividends paid per share | \$0.68 | \$0.68 | \$0.76 | |
| Ordinary income | 3.3 | % 24.9 | % 69.0 | % |
| Return of capital | 96.7 | % 56.3 | % 26.4 | % |
| Capital gains | — | % 18.8 | % 4.6 | % |
| | 100.0 | % 100.0 | % 100.0 | % |

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this Item concerning securities authorized for issuance under equity compensation plans is set forth in or incorporated herein by reference to Part III, Item 12 of this Report.

Sales of Unregistered Securities

We did not sell any of our securities during the year ended December 31, 2011 that were not registered under the Securities Act.

Issuer Purchases of Equity Securities

From time to time, we repurchase our securities under a repurchase program that initially was approved by the board of directors and publicly announced in October 2001 (the "Repurchase Program").

The following table shows the share repurchase activity for each of the three months in the quarter ended December 31, 2011:

| Month | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Dollar Value of Shares That May Yet be Repurchased Under the Plan (1) |
|----------|--|---------------------------------|--|--|
| October | 6,635 | \$ 10.81 | 6,635 | 74,496,122 |
| November | 10,081 | \$ 11.32 | 10,081 | 74,382,005 |
| December | 3,524 | \$ 11.87 | 3,524 | 74,340,176 |
| Total | 20,240 | (2) \$ 11.25 | 20,240 | |

On April 27, 2011, the board of directors adopted a resolution that amended and restated the Repurchase Program and delegated authority to management to repurchase a maximum of \$75.0 million of common shares, \$250.0 million of debt securities and \$75.0 million of preferred shares (the “April 2011 Resolution”). The April 2011 Resolution will expire on April 27, 2012.

(1) Common shares repurchased in connection with our Employee Stock Purchase Plan, a component of our Repurchase Program.

Item 6. Selected Financial Data

The following sets forth selected financial and operating information on a historical basis for each of the years in the five-year period ended December 31, 2011. The following information should be read in conjunction with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 8, “Financial Statements and Supplementary Data” included in this Form 10-K (in thousands, except per share amounts):

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|-------------|-------------|--------------|-------------|-------------|
| Results of Operations: | | | | | |
| Revenues: | | | | | |
| Rental and related revenue | \$752,478 | \$678,795 | \$634,455 | \$592,198 | \$559,236 |
| General contractor and service fee revenue | 521,796 | 515,361 | 449,509 | 434,624 | 311,548 |
| Total Revenues from Continuing Operations | \$1,274,274 | \$1,194,156 | \$1,083,964 | \$1,026,822 | \$870,784 |
| Income (loss) from continuing operations | \$(4,037) | \$38,701 | \$(240,235) | \$89,021 | \$169,762 |
| Net income (loss) attributable to common shareholders | \$31,416 | \$(14,108) | \$(333,601) | \$50,408 | \$211,942 |
| Per Share Data: | | | | | |
| Basic income (loss) per common share: | | | | | |
| Continuing operations | \$(0.28) | \$(0.18) | \$(1.51) | \$0.19 | \$0.64 |
| Discontinued operations | 0.39 | 0.11 | (0.16) | 0.14 | 0.87 |
| Diluted income (loss) per common share: | | | | | |
| Continuing operations | (0.28) | (0.18) | (1.51) | 0.19 | 0.64 |
| Discontinued operations | 0.39 | 0.11 | (0.16) | 0.14 | 0.87 |
| Dividends paid per common share | 0.68 | 0.68 | 0.76 | 1.93 | 1.91 |
| Weighted average common shares outstanding | 252,694 | 238,920 | 201,206 | 146,915 | 139,255 |
| Weighted average common shares and potential dilutive securities | 259,598 | 238,920 | 201,206 | 154,553 | 149,250 |
| Balance Sheet Data (at December 31): | | | | | |
| Total Assets | \$7,004,437 | \$7,644,276 | \$7,304,279 | \$7,690,883 | \$7,661,981 |
| Total Debt | 3,809,589 | 4,207,079 | 3,854,032 | 4,276,990 | 4,288,436 |
| Total Preferred Equity | 793,910 | 904,540 | 1,016,625 | 1,016,625 | 744,000 |
| Total Shareholders' Equity | 2,714,686 | 2,945,610 | 2,925,345 | 2,844,019 | 2,778,502 |
| Total Common Shares Outstanding | 252,927 | 252,195 | 224,029 | 148,420 | 146,175 |
| Other Data: | | | | | |
| Funds from Operations attributable to common shareholders (1) | \$274,616 | \$297,955 | \$142,597 | \$369,698 | \$378,282 |

(1) Funds From Operations (“FFO”) is used by industry analysts and investors as a supplemental operating performance measure of an equity real estate investment trust (“REIT”) like Duke Realty Corporation. The National Association of Real Estate Investment Trusts (“NAREIT”) created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”). FFO is a non-GAAP financial measure. The most comparable GAAP measure is net income (loss) attributable to common shareholders. FFO attributable to common shareholders should not be considered as a substitute for net income (loss) attributable to common shareholders or any other measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. FFO is calculated in accordance with the definition that was adopted by the Board of Governors of NAREIT, which was clarified during the fourth quarter of 2011 to exclude impairment charges related to depreciable real estate assets and certain investments in joint ventures. As a result of this clarification, we have revised our calculation of FFO for 2009 to exclude \$134.1 million of such impairment charges.

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. FFO, as defined by NAREIT,

represents GAAP net income (loss), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures.

Management believes that the use of FFO attributable to common shareholders, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that excluding gains or losses related to sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets and real estate asset depreciation and amortization enables investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assist them in comparing these operating results between periods or between different companies.

See reconciliation of FFO to GAAP net income (loss) attributable to common shareholders under the caption "Year in Review" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Business Overview

We are a self-administered and self-managed REIT that began operations through a related entity in 1972. As of December 31, 2011, we:

Owned or jointly controlled 748 industrial, office, medical office and other properties, of which 742 properties with approximately 135.6 million square feet are in service and six properties with approximately 913,000 square feet are under development. The 742 in-service properties are comprised of 616 consolidated properties with approximately 110.3 million square feet and 126 jointly controlled properties with approximately 25.3 million square feet. The six properties under development consist of five consolidated properties with more than 639,000 square feet and one jointly controlled property with approximately 274,000 square feet.

Owned, including through ownership interests in unconsolidated joint ventures, more than 4,800 acres of land and controlled an additional 1,630 acres through purchase options.

We have three reportable operating segments, the first two of which consist of the ownership and rental of (i) office and (ii) industrial real estate investments. The operations of our office and industrial properties, along with our medical office and retail properties, are collectively referred to as "Rental Operations." Our medical office and retail properties do not by themselves meet the quantitative thresholds for separate presentation as reportable segments. The third reportable segment consists of providing various real estate services such as property management, asset management, maintenance, leasing, development and construction management to third-party property owners and joint ventures, and is collectively referred to as "Service Operations." Our reportable segments offer different products or services and are managed separately because each segment requires different operating strategies and management expertise. Our Service Operations segment also includes our taxable REIT subsidiary, a legal entity through which certain of the segment's operations are conducted.

Operations Strategy

Our operational focus is to drive profitability by maximizing cash from operations as well as Funds from Operations ("FFO") through (i) maintaining and increasing property occupancy and rental rates by effectively managing our portfolio of existing properties; (ii) selectively developing new pre-leased medical office and build-to-suit projects at accretive returns; (iii) leveraging our construction expertise to act as a general contractor or construction manager on a fee basis; and (iv) providing a full line of real estate services to our tenants and to third parties.

Asset Strategy

Our asset strategy is to reposition our investment concentration among product types and further diversify our geographic presence. Our strategic objectives include (i) increasing our investment in quality industrial properties in both existing markets and select new markets; (ii) expanding our medical office portfolio nationally to take advantage of demographic trends; (iii) increasing our asset investment in markets we believe provide the best potential for future growth; and (iv) reducing our investment in suburban office properties located primarily in the Midwest as well as reducing our investment in other non-strategic assets. We are executing our asset strategy through a disciplined approach in identifying accretive acquisition opportunities and our focused development initiatives, which are financed primarily from our active asset disposition program.

Capital Strategy

Our capital strategy is to maintain a strong balance sheet by actively managing the components of our capital structure, in coordination with the execution of our overall operating and asset strategy. We are focused on maintaining investment grade ratings from our credit rating agencies with the ultimate goal of improving the key metrics that formulate our credit ratings.

In support of our capital strategy, we employ an asset disposition program to sell non-strategic real estate assets, which generates proceeds that can be recycled into new property investments that better fit our growth objectives or can be used to reduce leverage and otherwise manage our capital structure.

We continue to focus on improving our balance sheet by maintaining a balanced and flexible capital structure which includes: (i) extending and sequencing the maturity dates of our outstanding debt obligations; (ii) borrowing primarily at fixed rates by targeting a variable rate component of total debt less than 20%; and (iii) issuing common equity from time-to-time to maintain appropriate leverage parameters or support significant strategic acquisitions. With our successes to date and continued focus on strengthening our balance sheet, we believe we are well-positioned for future growth.

Year in Review

The slow pace of recovery in the general economy has continued to present challenges for the commercial real estate industry during 2011. There has been some improvement in a few key metrics such as unemployment; however, the downgrade of the United States credit rating by Standard & Poor's, unresolved United States national debt ceiling discussions and sovereign debt issues in Europe continue to weigh heavily on the willingness and ability of businesses to make long term capital commitments. Notwithstanding the condition of the economy, as noted hereafter, we were able to execute on our operations, asset and capital strategies, including the execution of a significant portfolio sale (the "Blackstone Office Disposition") that allowed us to reduce our overall investment concentration in suburban office properties.

Net income attributable to common shareholders for the year ended December 31, 2011, was \$31.4 million, or \$0.11 per share (diluted), compared to a net loss of \$14.1 million, or \$0.07 per share (diluted) for the year ended December 31, 2010. The improvement in 2011 from the 2010 net loss position was mainly the result of a \$96.7 million increase in gains on sales of properties. Partially offsetting this positive change in property sale gains was a \$57.0 million decrease in income related to acquisition-related activity, as a gain of \$57.7 million was recognized in 2010 upon the acquisition of our joint venture partner's 50% interest in Dugan Realty, L.L.C. ("Dugan"), a real estate joint venture that we had previously accounted for using the equity method. FFO attributable to common shareholders totaled \$274.6 million for the year ended December 31, 2011, compared to \$298.0 million for 2010, with the decrease driven primarily by the \$57.7 million gain on the acquisition of Dugan in 2010.

Industry analysts and investors use FFO as a supplemental operating performance measure of an equity REIT. The National Association of Real Estate Investment Trusts ("NAREIT") created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"). FFO is a non-GAAP financial measure. The most comparable GAAP measure is net income (loss) attributable to common shareholders. FFO attributable to common shareholders should not be considered as a substitute for net income (loss) attributable to common shareholders or any other measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. FFO is calculated in accordance with the definition that was adopted by the Board of Governors of NAREIT, which was clarified during the fourth quarter of

2011 to exclude impairment charges related to depreciable real estate assets and certain investments in joint ventures. As a result of this clarification, we have revised our calculation of FFO for 2009 to exclude \$134.1 million of such impairment charges.

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. FFO, as defined by NAREIT, represents GAAP net income (loss), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures.

Management believes that the use of FFO attributable to common shareholders, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that excluding gains or losses related to sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets and real estate asset depreciation and amortization enables investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assist them in comparing these operating results between periods or between different companies. The following table shows a reconciliation of net income (loss) attributable to common shareholders to the calculation of FFO attributable to common shareholders for the years ended December 31, 2011, 2010 and 2009, respectively (in thousands):

| | 2011 | 2010 | 2009 |
|---|------------|-------------|--------------|
| Net income (loss) attributable to common shareholders | \$31,416 | \$(14,108) | \$(333,601) |
| Adjustments: | | | |
| Depreciation and amortization | 385,679 | 360,184 | 340,126 |
| Company share of joint venture depreciation and amortization | 33,687 | 34,674 | 36,966 |
| Impairment charges on depreciable properties | — | — | 134,055 |
| Earnings from depreciable property sales – wholly-owned | (169,431) | (72,716) | (19,123) |
| Earnings from depreciable property sales – share of joint venture | (91) | (2,308) | — |
| Noncontrolling interest share of adjustments | (6,644) | (7,771) | (15,826) |
| Funds From Operations attributable to common shareholders | \$274,616 | \$297,955 | \$142,597 |

We continued to make significant progress during 2011 in executing our stated asset strategy of increasing our investment in industrial and medical office properties and reducing our investment in suburban office properties.

Additionally, we improved in most of our key operational metrics which is an indication of continued execution of our operations strategy. Highlights of our 2011 strategic activities are as follows:

In the first four months of 2011, we completed the acquisition of a portfolio of primarily industrial properties in South Florida (the "Premier Portfolio"), for which we had already purchased 38 industrial properties and one office property in late 2010. The 2011 acquisitions consisted of twelve industrial and four office buildings with a total acquisition-date value of \$282.9 million. The Premier Portfolio, in its entirety, includes 50 industrial and five office buildings with over 4.9 million rentable square feet and four ground leases, for a total acquisition date value of \$464.5 million.

During 2011, in addition to completing the acquisition of the Premier Portfolio, we demonstrated further progress on our asset strategy by acquiring 29 industrial properties, eleven medical office

properties and three suburban office properties with a total value of \$575.4 million.

We generated \$1.57 billion of total net cash proceeds from the disposition of 119 wholly-owned buildings, either through outright sales or partial sales to unconsolidated joint ventures, as well as selling 47 acres of wholly-owned undeveloped land.

Included in the wholly-owned building dispositions in 2011 is the Blackstone Office Disposition, by which we sold substantially all of our wholly-owned suburban office real estate properties in Atlanta, Chicago, Columbus, Dallas, Minneapolis, Orlando and Tampa. The Blackstone Office Disposition consisted of 79

- buildings that had an aggregate of 9.8 million rentable square feet. These buildings were sold for a sales price of approximately \$1.06 billion which, after the settlement of certain working capital items and the payment of applicable transaction costs, was received in a combination of approximately \$1.02 billion in cash and the assumption by the buyer of approximately \$24.9 million of mortgage debt.

Also included in the wholly-owned building dispositions in 2011 is the sale of 13 suburban office buildings, totaling over 2.0 million square feet, to a 20%-owned joint venture. These buildings were sold to the joint venture for a value of \$342.8 million, of which our 80% share of proceeds totaled \$273.7 million.

We have limited our new development starts to selected projects in markets or product types expected to have strong future rent growth and demand or projects that have significant pre-leasing. The total estimated cost of our consolidated properties under construction was \$124.2 million at December 31, 2011, with \$35.2 million of such costs incurred through that date. The total estimated cost for jointly controlled properties under construction was \$89.3 million at December 31, 2011, with \$7.3 million of costs incurred through that date.

The occupancy level for our in-service portfolio of consolidated properties increased from 89.1% at December 31, 2010 to 90.8% at December 31, 2011. The increase in occupancy was primarily driven by our acquisition and disposition activities as well as leasing up vacant space.

Despite the continued slow pace of the overall economic recovery, we continued to have strong total leasing activity for our consolidated properties, with total leasing activity of 19.7 million square feet in 2011 compared to 20.4 million square feet in 2010.

Total leasing activity for our consolidated properties in 2011 included 9.8 million square feet of renewals, which represented a 67.4% success rate and resulted in a 2.7% reduction in net effective rents.

We executed a number of significant transactions in support of our capital strategy during 2011 in order to optimally sequence our unsecured debt maturities, manage our overall leverage profile, and support our acquisition strategy.

Highlights of our key financing activities in 2011 are as follows:

In December 2011, we repaid the remaining \$167.6 million of our 3.75% Exchangeable Senior Notes ("Exchangeable Notes") at their scheduled maturity date. Due to accounting requirements, under which we recorded interest expense on this debt at a similar rate as could have been obtained for non-convertible debt, this debt had an effective interest rate of 5.62%.

In November 2011, we renewed and extended the term of our unsecured line of credit. The renewed facility matures in December 2015, has a one-year extension option, and bears interest at LIBOR plus 125 basis points. The previous \$850 million facility did not have an extension option and bore interest at LIBOR plus 275 basis points.

In July 2011, we redeemed all of the outstanding shares of our 7.25% Series N Cumulative Redeemable Preferred Shares ("Series N Shares") at a liquidation amount of \$108.6 million.

We assumed 13 secured loans in conjunction with our 2011 acquisitions. These assumed loans had a total face value of \$162.4 million.

Key Performance Indicators

Our operating results depend primarily upon rental income from our industrial, office, medical office and retail properties (collectively referred to as "Rental Operations"). The following discussion highlights the areas of Rental Operations that we consider critical drivers of future revenues.

Occupancy Analysis: As previously discussed, our ability to maintain high occupancy rates is a principal driver of maintaining and increasing rental revenue from continuing operations. The following table sets forth occupancy information regarding our in-service portfolio of consolidated rental properties as of December 31, 2011 and 2010, respectively (in thousands, except percentage data):

| Type | Total Square Feet | | Percent of Total Square Feet | | Percent Leased | | | |
|-----------------------------------|-------------------|---------|------------------------------|---------|----------------|--------|------|------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Industrial | 90,610 | 81,821 | 82.2 | % 71.7 | % 92.1 | % 90.6 | % | % |
| Office | 16,001 | 29,341 | 14.5 | % 25.7 | % 83.4 | % 85.4 | % | % |
| Other (Medical Office and Retail) | 3,685 | 2,916 | 3.3 | % 2.6 | % 89.2 | % 85.7 | % | % |
| Total | 110,296 | 114,078 | 100.0 | % 100.0 | % 90.8 | % 89.1 | % | % |

The increase in occupancy at December 31, 2011 compared to December 31, 2010 is primarily driven by changes in our portfolio that resulted from our acquisition and disposition activity. Specifically, we disposed of properties during 2011, totaling approximately 16.3 million square feet, that had average occupancy on sale of approximately 83%, while we acquired properties totaling approximately 9.1 million square feet that had average occupancy on acquisition of approximately 94%. Continued lease-up activity within our portfolio also contributed to the increase in occupancy. Lease Expiration and Renewals: Our ability to maintain and improve occupancy rates primarily depends upon our continuing ability to re-lease expiring space. The following table reflects our consolidated in-service portfolio lease expiration schedule by property type as of December 31, 2011. The table indicates square footage and annualized net effective rents (based on December 2011 rental revenue) under expiring leases (in thousands, except percentage data):

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| Year of Expiration | Total Portfolio | | | | Industrial | | | Office | | | Other | |
|-----------------------------|-----------------|-------------------|--------------|--|-------------|-------------------|--|-------------|-------------------|--|-------------|-------------------|
| | Square Feet | Ann. Rent Revenue | % of Revenue | | Square Feet | Ann. Rent Revenue | | Square Feet | Ann. Rent Revenue | | Square Feet | Ann. Rent Revenue |
| 2012 | 7,492 | \$40,800 | 7 % | | 6,067 | \$23,355 | | 1,345 | \$16,211 | | 80 | \$1,234 |
| 2013 | 15,526 | 82,175 | 14 % | | 13,565 | 54,591 | | 1,895 | 26,421 | | 66 | 1,163 |
| 2014 | 11,675 | 63,576 | 11 % | | 9,870 | 38,975 | | 1,634 | 21,693 | | 171 | 2,908 |
| 2015 | 12,847 | 66,367 | 12 % | | 10,959 | 42,424 | | 1,839 | 23,001 | | 49 | 942 |
| 2016 | 11,162 | 60,151 | 11 % | | 9,216 | 34,399 | | 1,838 | 23,566 | | 108 | 2,186 |
| 2017 | 10,299 | 56,556 | 10 % | | 8,814 | 33,976 | | 1,059 | 13,850 | | 426 | 8,730 |
| 2018 | 5,633 | 43,914 | 8 % | | 3,977 | 16,316 | | 1,092 | 14,706 | | 564 | 12,892 |
| 2019 | 5,268 | 34,921 | 6 % | | 4,087 | 16,028 | | 918 | 12,390 | | 263 | 6,503 |
| 2020 | 6,782 | 41,094 | 7 % | | 5,714 | 22,545 | | 670 | 10,439 | | 398 | 8,110 |
| 2021 | 5,782 | 34,105 | 6 % | | 4,882 | 19,325 | | 550 | 6,450 | | 350 | 8,330 |
| 2022 and Thereafter | 7,647 | 48,590 | 8 % | | 6,331 | 23,126 | | 505 | 8,398 | | 811 | 17,066 |
| | 100,113 | \$572,249 | 100 % | | 83,482 | \$325,060 | | 13,345 | \$177,125 | | 3,286 | \$70,064 |
| Total Portfolio Square Feet | 110,296 | | | | 90,610 | | | 16,001 | | | 3,685 | |
| Percent Leased | 90.8 % | | | | 92.1 % | | | 83.4 % | | | 89.2 % | |

Within our consolidated properties, we renewed 67.4% and 77.2% of our leases up for renewal, totaling approximately 9.8 million and 10.1 million square feet in 2011 and 2010, respectively. Our renewal percentage was lower in 2011 due to the expiration of a few individually large industrial leases where the tenants' space requirements were reduced and the leases were not renewed. Barring any unforeseen deterioration in general economic conditions, we believe our renewal percentage in 2012 should approximate historical levels, which have generally ranged between 70.0% to 80.0%.

There was a 2.7% decline in net effective rents on our renewals during 2011, compared to a 4.9% decline in 2010. The decline in net effective rents on renewal leases during 2011 is largely attributable to the expiration of leases originated during better economic conditions existing between 2005 and 2007. The change in net effective rents upon renewal improved from 2010 in large part as the result of lower vacancy in many of our markets and, also barring any unforeseen deterioration in general economic conditions, we anticipate continued slight improvement in 2012 net effective rents as compared to 2011.

Acquisitions: In 2011, we acquired 59 properties and other real estate-related assets with a total acquisition-date value of \$757.1 million, including 16 properties purchased in completion of the Premier Portfolio acquisition. These acquisitions represent further advancement of our strategy to increase our concentration in industrial and medical office properties and included 41 industrial properties, eleven medical office properties and seven suburban office properties.

On July 1, 2010, we acquired our joint venture partner's 50% interest in Dugan, a real estate joint venture that we had previously accounted for using the equity method. At the date of acquisition, Dugan owned 106 industrial buildings totaling 20.8 million square feet and 63 net acres of undeveloped land located in Midwest and Southeast markets. The total acquisition-date value of Dugan's assets was \$638.2 million and we also assumed liabilities, including secured debt, having a total fair value of \$305.6 million.

In addition to the 2010 acquisition of Dugan, we also acquired 52 properties in 2010 with a total acquisition-date value of \$612.4 million. These 2010 acquisitions included the initial 39 properties from the Premier Portfolio, which were acquired on December 30, 2010.

Also in 2010, one of our unconsolidated joint ventures, in which we have a 20% equity interest, acquired two properties for \$42.3 million. We contributed \$8.6 million to the joint venture for our share of these acquisitions.

Dispositions: Net cash proceeds related to the dispositions of wholly-owned undeveloped land and buildings totaled \$1.57 billion in 2011, compared to \$499.5 million in 2010.

Included in the building dispositions in 2011 is the 79-building Blackstone Office Disposition, with a sales price of approximately \$1.06 billion which, after settlement of certain working capital items and the payment of applicable transaction costs, was paid in a combination of approximately \$1.02 billion in cash and the assumption by the buyer of mortgage debt with a face value of approximately \$24.9 million.

Also included in the building dispositions in 2011 is the sale of 13 suburban office buildings, totaling over 2.0 million square feet, to an existing 20%-owned unconsolidated joint venture. These buildings were sold to the unconsolidated joint venture for a value of \$342.8 million, of which our 80% share of proceeds totaled \$273.7 million. Included in the building dispositions in 2010 is the sale of seven suburban office buildings, totaling over 1.0 million square feet, to the same 20%-owned joint venture. These buildings were sold to the unconsolidated joint venture for an agreed value of \$173.9 million, of which our 80% share of proceeds totaled \$139.1 million.

Future Development: Another source of our earnings growth is our wholly-owned and joint venture development activities. We expect to generate future earnings from Rental Operations as the development properties are placed in service and leased. We continue to direct a significant portion of our available resources toward acquisition activities as well as development activities in industrial and medical office properties with significant pre-leasing in markets that we believe will provide future growth. We believe these two product lines will be the areas of greatest future growth.

We had 913,000 square feet of consolidated or jointly controlled properties under development with total estimated costs upon completion of \$213.5 million at December 31, 2011, compared to 3.8 million square feet of property under development with total estimated costs of \$327.5 million at December 31, 2010. The square footage and estimated costs include both wholly-owned and joint venture development activity at 100%. The following table summarizes our properties under development as of December 31, 2011 (in thousands, except percentage data):

| Ownership Type | Square Feet | Percent Leased | Total Estimated Project Costs | Total Incurred to Date | Amount Remaining to be Spent |
|--------------------------|-------------|----------------|-------------------------------|------------------------|------------------------------|
| Consolidated properties | 639 | 84 | % \$124,215 | \$35,163 | \$89,052 |
| Joint venture properties | 274 | 100 | % 89,271 | 7,303 | 81,968 |
| Total | 913 | 89 | % \$213,486 | \$42,466 | \$171,020 |

Results of Operations

A summary of our operating results and property statistics for each of the years in the three-year period ended December 31, 2011, is as follows (in thousands, except number of properties and per share data):

| | 2011 | 2010 | 2009 |
|--|-----------|-----------|------------|
| Rental and related revenue | \$752,478 | \$678,795 | \$634,455 |
| General contractor and service fee revenue | 521,796 | 515,361 | 449,509 |
| Operating income (loss) | 219,352 | 186,664 | (115,567) |
| Net income (loss) attributable to common shareholders | 31,416 | (14,108) | (333,601) |
| Weighted average common shares outstanding | 252,694 | 238,920 | 201,206 |
| Weighted average common shares and potential dilutive securities | 259,598 | 238,920 | 201,206 |
| Basic income (loss) per common share: | | | |
| Continuing operations | \$(0.28) | \$(0.18) | \$(1.51) |
| Discontinued operations | \$0.39 | \$0.11 | \$(0.16) |
| Diluted income (loss) per common share: | | | |
| Continuing operations | \$(0.28) | \$(0.18) | \$(1.51) |
| Discontinued operations | \$0.39 | \$0.11 | \$(0.16) |
| Number of in-service consolidated properties at end of year | 616 | 669 | 543 |
| In-service consolidated square footage at end of year | 110,296 | 114,078 | 90,581 |
| Number of in-service joint venture properties at end of year | 126 | 114 | 211 |
| In-service joint venture square footage at end of year | 25,295 | 22,657 | 43,248 |

Comparison of Year Ended December 31, 2011 to Year Ended December 31, 2010

Rental and Related Revenue

The following table sets forth rental and related revenue from continuing operations by reportable segment for the years ended December 31, 2011 and 2010, respectively (in thousands):

| | 2011 | 2010 |
|-----------------------------|-----------|-----------|
| Rental and Related Revenue: | | |
| Office | \$271,137 | \$312,036 |
| Industrial | 388,828 | 289,946 |
| Non-reportable segments | 92,513 | 76,813 |
| Total | \$752,478 | \$678,795 |

The primary reasons for the increase in rental revenue from continuing operations, with specific references to a particular segment when applicable, are summarized below:

We acquired 108 properties, of which 87 were industrial, and placed nine developments in service from January 1, 2010 to December 31, 2011, which provided incremental revenues of \$79.8 million in the year ended December 31, 2011.

We consolidated 106 industrial buildings as a result of acquiring our joint venture partner's 50% interest in Dugan on July 1, 2010. The consolidation of these buildings resulted in an increase of \$37.2 million in rental and related revenue for the year ended December 31, 2011, as compared to the same period in 2010.

We sold 23 office properties to an unconsolidated joint venture in 2010 and the first quarter of 2011, resulting in a \$55.2 million decrease in rental and related revenue from continuing operations in 2011.

- The remaining increase in rental and related revenues is primarily due to improved results within the properties that have been in service for all of 2010 and 2011. Although rental rates declined slightly on our lease renewals, improved occupancy drove the overall improvement within these properties.

Rental Expenses and Real Estate Taxes

The following table reconciles rental expenses and real estate taxes by reportable segment to our total reported amounts in the statements of operations for the years ended December 31, 2011 and 2010, respectively (in thousands):

| | 2011 | 2010 |
|-------------------------|-----------|-----------|
| Rental Expenses: | | |
| Office | \$77,334 | \$87,741 |
| Industrial | 44,289 | 30,884 |
| Non-reportable segments | 25,550 | 18,723 |
| Total | \$147,173 | \$137,348 |
| Real Estate Taxes: | | |
| Office | \$34,274 | \$39,380 |
| Industrial | 60,689 | 43,311 |
| Non-reportable segments | 8,761 | 7,027 |
| Total | \$103,724 | \$89,718 |

We recognized incremental rental expenses of \$16.2 million associated with the additional 108 properties acquired (of which 87 were industrial) and nine developments placed in service since January 1, 2010. The July 1, 2010 consolidation of 106 industrial buildings in Dugan also resulted in a \$5.3 million increase in rental expense for industrial properties. The aforementioned increases were partially offset by a decrease of \$12.5 million related to 23 properties that were sold to an unconsolidated joint venture during 2010 and the first quarter of 2011.

We recognized incremental real estate taxes of \$12.8 million associated with the additional 108 properties acquired and nine developments placed in service since January 1, 2010. The July 1, 2010 consolidation of 106 industrial buildings in Dugan resulted in incremental real estate taxes of \$6.2 million. The aforementioned increases were partially offset by a decrease of \$7.8 million related to 23 properties that were sold to an unconsolidated joint venture during 2010 and the first quarter of 2011. The remaining increases were the result of increased taxes on our properties that have been in service for all of 2010 and 2011.

Service Operations

The following table sets forth the components of the Service Operations reportable segment for the years ended December 31, 2011 and 2010, respectively (in thousands):

| | 2011 | 2010 |
|--|------------|------------|
| Service Operations: | | |
| General contractor and service fee revenue | \$521,796 | \$515,361 |
| General contractor and other services expenses | (480,480) | (486,865) |
| Total | \$41,316 | \$28,496 |

Service Operations primarily consist of the leasing, property management, asset management, development, construction management and general contractor services for joint venture properties and properties owned by third parties. Service Operations are heavily influenced by the current state of the economy, as leasing and property management fees are dependent upon occupancy, while construction and development services rely on the expansion of business operations of third-party property owners and joint venture partners. The increase in earnings from Service Operations was due to increased profitability on third-party construction activities performed during 2011 compared to 2010, as overall construction volume was relatively consistent between the years.

Depreciation and Amortization Expense

Depreciation and amortization expense increased from \$279.6 million in 2010 to \$330.5 million in 2011 primarily due to shorter-lived lease-based intangible assets being recognized in conjunction with our acquisition activity in 2010 and 2011.

Equity in Earnings of Unconsolidated Companies

Equity in earnings represents our ownership share of net income or loss from investments in unconsolidated companies that generally own and operate rental properties. Equity in earnings decreased from \$8.0 million in 2010 to \$4.6 million in 2011. The decrease was largely due to the consolidation of 106 properties upon the acquisition of our partner's 50% interest in Dugan on July 1, 2010.

Gain on Sale of Properties

Gains on sales of properties classified in continuing operations increased to \$68.5 million in 2011 from \$39.7 million in 2010. We sold 18 properties during 2011 that did not meet the criteria for inclusion in discontinued operations, compared to 17 of such properties in 2010. Of the properties sold in 2011 and 2010, 13 and seven properties, respectively, were sold to a 20%-owned joint venture. The combined gain on sale of these properties was \$62.1 million and \$31.9 million in 2011 and 2010, respectively.

Impairment Charges

Impairment charges classified in continuing operations include the impairment of undeveloped land and buildings, investments in unconsolidated subsidiaries and other real estate related assets. The increase from \$9.8 million in 2010 to \$12.9 million in 2011 is primarily due to the following activity:

In 2011, we recognized \$12.9 million of impairment charges related to parcels of land, which we intend to sell, where recent market activity led us to determine that a decline in fair value had occurred.

In 2010, we sold approximately 60 acres of land, in two separate transactions, which resulted in impairment charges of \$9.8 million. These sales were opportunistic in nature and we had not identified or actively marketed this land for disposition, as it was previously intended to be held for development.

General and Administrative Expenses

General and administrative expenses increased from \$41.3 million in 2010 to \$43.1 million in 2011. General and administrative expenses consist of two components. The first component includes general corporate expenses and the second component includes the indirect operating costs not allocated to the development or operations of our wholly-owned properties and Service Operations. Those indirect costs not allocated to or absorbed by these operations are charged to general and administrative expenses. The increase in general and administrative expenses in 2011 resulted from an increase in our overall pool of overhead expenses, primarily due to an increase in severance pay related to an overhead reduction that took place near the end of 2011. Somewhat reducing the impact of this increase in overall overhead expenses was an increase in the absorption of indirect costs from leasing activities during 2011.

Interest Expense

Interest expense from continuing operations increased from \$189.1 million in 2010 to \$223.1 million in 2011. The increase was primarily a result of increased average outstanding debt during 2011 compared to 2010, which was driven by our acquisition activities as well as other uses of capital. A \$7.2 million

decrease in the capitalization of interest costs, the result of reduced development activity, also contributed to the increase in interest expense.

Gain (Loss) on Debt Transactions

There were no gains or losses on debt transactions during 2011.

During 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2011 and 2013. In total, we paid \$292.2 million for unsecured notes that had a face value of \$279.9 million. We recognized a net loss on extinguishment of \$16.3 million after considering the write-off of unamortized deferred financing costs, discounts and other accounting adjustments.

Acquisition-Related Activity

During 2011, we recognized approximately \$2.3 million in acquisition costs, compared to \$1.9 million of such costs in 2010. During 2011, we also recognized a \$1.1 million gain related to the acquisition of a building from one of our 50%-owned unconsolidated joint ventures, compared to a \$57.7 million gain in 2010 on the acquisition of our joint venture partner's 50% interest in Dugan.

Discontinued Operations

Subject to certain criteria, the results of operations for properties sold during the year to unrelated parties or classified as held-for-sale at the end of the period are required to be classified as discontinued operations. The property specific components of earnings that are classified as discontinued operations include rental revenues, rental expenses, real estate taxes, allocated interest expense, depreciation expense and impairment charges as well as the net gain or loss on the disposition of properties.

The operations of 138 buildings are currently classified as discontinued operations. These 138 buildings consist of 19 industrial, 116 office, and three retail properties. As a result, we classified losses, before gain on sales and impairment charges, of \$536,000, \$6.5 million and \$10.8 million in discontinued operations for the years ended December 31, 2011, 2010 and 2009, respectively.

Of these properties, 101 were sold during 2011, 19 properties were sold during 2010 and five properties were sold during 2009. The gains on disposal of these properties of \$100.9 million, \$33.1 million and \$6.8 million for the years ended December 31, 2011, 2010 and 2009, respectively, are also reported in discontinued operations. Discontinued operations also includes impairment charges of \$27.2 million for the year ended December 31, 2009 recognized on properties that were subsequently sold. There are 13 properties classified as held-for-sale at December 31, 2011.

Comparison of Year Ended December 31, 2010 to Year Ended December 31, 2009

Rental and Related Revenue

The following table sets forth rental and related revenue from continuing operations by reportable segment for the years ended December 31, 2010 and 2009, respectively (in thousands):

| | 2010 | 2009 |
|-----------------------------|-----------|-----------|
| Rental and Related Revenue: | | |
| Office | \$312,036 | \$321,506 |
| Industrial | 289,946 | 249,555 |
| Non-reportable segments | 76,813 | 63,394 |
| Total | \$678,795 | \$634,455 |

The primary reasons for the increase in rental revenue from continuing operations, with specific references to a particular segment when applicable, are summarized below:

We consolidated 106 industrial buildings as a result of acquiring our joint venture partner's 50% interest in Dugan on July 1, 2010. The consolidation of these buildings resulted in an increase of \$37.8 million in rental and related revenue for the year ended December 31, 2010, as compared to the same period in 2009.

Including the December 30, 2010 acquisition of the first tranche of the Premier Portfolio, we acquired or consolidated an additional 56 properties and placed 18 developments in service from January 1, 2009 to December 31, 2010, which provided incremental revenues of \$29.2 million in the year ended December 31, 2010.

We contributed 15 properties to an unconsolidated joint venture in 2009 and 2010, resulting in a \$9.2 million reduction in rental and related revenue in 2010.

We sold eight properties in 2009 and 2010 that were excluded from discontinued operations as a result of continuing involvement in the properties through management agreements. These dispositions resulted in a decrease in rental and related revenue from continuing operations of \$7.5 million in 2010.

Rental and related revenue includes lease termination fees, which relate to specific tenants who pay a fee to terminate their lease obligation before the end of the contractual lease term. Lease termination fees included in continuing operations decreased from \$8.8 million in 2009 to \$4.1 million in 2010.

Average occupancy for the year ended December 31, 2010 decreased slightly for our office properties, while increasing for our industrial properties, when compared to the year ended December 31, 2009. These changes in occupancy, as well as decreases in rental rates in certain of our 2010 lease renewals, resulted in a net decrease to rental and related revenues which partially offset the increases generated from acquisitions and developments placed in service.

Rental Expenses and Real Estate Taxes

The following table reconciles rental expenses and real estate taxes by reportable segment to our total reported amounts in the statements of operations for the years ended December 31, 2010 and 2009, respectively (in thousands):

| | 2010 | 2009 |
|-------------------------|-----------|-----------|
| Rental Expenses: | | |
| Office | \$87,741 | \$88,173 |
| Industrial | 30,884 | 25,264 |
| Non-reportable segments | 18,723 | 17,374 |
| Total | \$137,348 | \$130,811 |
| Real Estate Taxes: | | |
| Office | \$39,380 | \$40,772 |
| Industrial | 43,311 | 36,014 |
| Non-reportable segments | 7,027 | 6,685 |
| Total | \$89,718 | \$83,471 |

Of the overall \$6.5 million increase in rental expenses in 2010 compared to 2009, \$4.3 million was attributable to the consolidation of the 106 industrial buildings that resulted from the acquisition of our partner's 50% interest in Dugan on July 1, 2010. There were also incremental costs of \$6.2 million

associated with the additional 56 properties acquired or otherwise consolidated and 18 developments placed in service. These increases were partially offset by a decrease in rental expenses of approximately \$3.3 million related to 23 properties that were sold in 2009 and 2010, but did not meet the criteria for classification as discontinued operations.

Overall, real estate taxes increased by \$6.2 million in 2010 compared to 2009. The primary reason for this increase is the consolidation of an additional 106 industrial buildings related to the acquisition of Dugan, which resulted in incremental real estate taxes of \$7.0 million. There were also incremental costs of \$3.1 million associated with the additional 56 properties acquired or otherwise consolidated and 18 developments placed in service. These increases were partially offset by a decrease in real estate taxes of approximately \$2.7 million related to 23 properties that were sold in 2009 and 2010, but did not meet the criteria for classification as discontinued operations.

Service Operations

The following table sets forth the components of the Service Operations reportable segment for the years ended December 31, 2010 and 2009, respectively (in thousands):

| | 2010 | 2009 |
|--|------------|------------|
| Service Operations: | | |
| General contractor and service fee revenue | \$515,361 | \$449,509 |
| General contractor and other services expenses | (486,865) | (427,666) |
| Total | \$28,496 | \$21,843 |

The increase in earnings from Service Operations was largely the result of an overall increase in third-party construction volume and fees.

Depreciation and Amortization Expense

Depreciation and amortization expense increased from \$245.5 million in 2009 to \$279.6 million in 2010 due to increases in our real estate asset base from properties acquired or consolidated and developments placed in service during 2009 and 2010. The consolidation of 106 additional industrial properties related to the July 1, 2010 acquisition of our partner's ownership interest in Dugan resulted in \$24.9 million of additional depreciation expense.

Equity in Earnings of Unconsolidated Companies

Equity in earnings decreased from \$9.9 million in 2009 to \$8.0 million in 2010. The decrease was largely the result of the acquisition of Dugan, which was previously accounted for under the equity method, which took place on July 1, 2010.

Gain on Sale of Properties

Gains on sales of properties classified in continuing operations increased from \$12.3 million in 2009 to \$39.7 million in 2010. We sold nine properties in 2009 compared to 17 properties in 2010. Because the properties sold in 2009 and 2010 either had insignificant operations prior to sale or because we maintained varying forms of continuing involvement after sale, they are not classified within discontinued operations. Seven of the properties sold in 2010, with a combined gain on sale of \$31.9 million, were made to a newly formed subsidiary of an existing 20%-owned joint venture to which we sold additional properties during 2011.

Impairment Charges

Impairment charges classified in continuing operations include the impairment of undeveloped land and

buildings, investments in unconsolidated subsidiaries and other real estate related assets. The decrease from \$275.4 million in 2009 to \$9.8 million in 2010 is primarily due to the following activity:

In 2010, we sold approximately 60 acres of land, in two separate transactions, which resulted in impairment charges of \$9.8 million. These sales were opportunistic in nature and we had not identified or actively marketed this land for disposition, as it was previously intended to be held for development.

- A result of the refinement of our business strategy that took place in 2009 was the decision to dispose of approximately 1,800 acres of land, which had a total cost basis of \$385.3 million, rather than holding it for future development. Our change in strategy for this land triggered the requirement to conduct an impairment analysis, which resulted in a determination that a significant portion of the land, representing over 35% of the land's carrying value, was impaired. We recognized impairment charges on land of \$136.6 million in 2009, primarily as the result of writing down to fair value the land that was identified for disposition and determined to be impaired.

Also in 2009, an impairment charge of \$78.1 million was recognized for 28 office, industrial and retail buildings. Nine of these properties met the criteria for discontinued operations at December 31, 2011, either as a result of being sold or classified as held-for-sale, and the \$27.2 million of impairment charges related to these properties is accordingly reflected in discontinued operations. The impairment analysis was triggered either as the result of changes in management's strategy, resulting in certain buildings being identified as non-strategic, or changes in market conditions.

We hold a 50% ownership interest in an unconsolidated entity (the "3630 Peachtree joint venture") whose sole activity is the development and operation of the office component of a multi-use office and residential high-rise building located in the Buckhead sub-market of Atlanta. We recognized an impairment charge in 2009 to write off our \$14.4 million investment in the 3630 Peachtree joint venture as the result of an other-than-temporary decline in value. As a result of the joint venture's obligations to the lender in its construction loan agreement, the likelihood that our partner will be unable to contribute their share of the additional equity to fund the joint venture's future capital costs, and ultimately from our contingent obligation stemming from our joint and several guarantee of the joint venture's loan, we recorded an additional liability of \$36.3 million in 2009 for our probable future obligation to the lender.

In 2009, we recognized a \$5.8 million charge on our investment in an unconsolidated joint venture (the "Park Creek joint venture").

We recognized \$31.5 million of impairment charges on other real estate related assets in 2009, which related primarily to reserving loans receivable from other real estate entities, as well as writing off previously deferred development costs.

General and Administrative Expenses

General and administrative expenses decreased from \$47.9 million in 2009 to \$41.3 million in 2010. This decrease resulted from a \$9.6 million reduction in our total overhead costs, which was largely a result of reduced severance charges when compared to 2009. The reduction in overall overhead expenses was partially offset by a \$3.3 million decrease in overhead costs absorbed by an allocation to leasing, construction and other areas, which was primarily a result of lower wholly-owned construction and development activities than in 2009.

Interest Expense

Interest expense from continuing operations increased from \$151.6 million in 2009 to \$189.1 million in 2010. The increase was largely the result of a \$15.4 million decrease in the capitalization of interest costs, due to properties previously undergoing significant development activities being placed in service or otherwise not meeting the criteria for the capitalization of interest. The remaining increase in interest expense was largely the result of our 2010 acquisition activity which, in addition to other uses of capital, drove higher overall borrowings in 2010.

Gain (Loss) on Debt Transactions

During 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2011 and 2013. In total, we paid \$292.2 million for unsecured notes that had a face value of \$279.9 million. We recognized a net loss on extinguishment of \$16.3 million after considering the write-off of unamortized deferred financing costs, discounts and other accounting adjustments.

During 2009, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2009 through 2011. The majority of our debt repurchases during 2009 were of our 3.75% Exchangeable Notes. In total, we paid \$500.9 million for unsecured notes that had a face value of \$542.9 million, recognizing a net gain on extinguishment of \$27.5 million after considering the write-off of unamortized deferred financing costs, discounts and other accounting adjustments. Partially offsetting these gains, we recognized \$6.8 million of expense in 2009 for the write-off of fees paid for a pending secured financing that we cancelled in the third quarter of 2009.

Income Taxes

We recognized an income tax benefit of \$1.1 million and \$6.1 million, respectively, in 2010 and 2009.

We recorded a net valuation allowance of \$7.3 million against our deferred tax assets during 2009. The valuation allowance was recorded as the result of changes to our projections for future taxable income within our taxable REIT subsidiary. The decreased projection of taxable income was the result of a revision in strategy, whereby we determined that we would indefinitely discontinue the development, within our taxable REIT subsidiary, of properties intended to be sold for a profit at or near completion, necessitating the revision of our taxable income projections.

Critical Accounting Policies

The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Our estimates, judgments and assumptions are inherently subjective and based on the existing business and market conditions, and are therefore continually evaluated based upon available information and experience. Note 2 to the Consolidated Financial Statements includes further discussion of our significant accounting policies. Our management has assessed the accounting policies used in the preparation of our financial statements and discussed them with our Audit Committee and independent auditors. The following accounting policies are considered critical based upon materiality to the financial statements, degree of judgment involved in estimating reported amounts and sensitivity to changes in industry and economic conditions:

Accounting for Joint Ventures: We analyze our investments in joint ventures to determine if the joint venture is a variable interest entity (a "VIE") and would require consolidation. We (i) evaluate the sufficiency of the total equity at risk, (ii) review the voting rights and decision-making authority of the

equity investment holders as a group, and whether there are any guaranteed returns, protection against losses, or capping of residual returns within the group and (iii) establish whether activities within the venture are on behalf of an investor with disproportionately few voting rights in making this VIE determination. We would consolidate a venture that is determined to be a VIE if we were the primary beneficiary. Beginning January 1, 2010, a new accounting standard became effective and changed the method by which the primary beneficiary of a VIE is determined to a primarily qualitative approach whereby the variable interest holder, if any, that controls a VIE's most significant activities is the primary beneficiary. To the extent that our joint ventures do not qualify as VIEs, we further assess each partner's substantive participating rights to determine if the venture should be consolidated.

We have equity interests in unconsolidated joint ventures that own and operate rental properties and hold land for development. To the extent applicable, we consolidate those joint ventures that are considered to be VIE's where we are the primary beneficiary. For non-variable interest entities, we consolidate those joint ventures that we control through majority ownership interests or where we are the managing entity and our partner does not have substantive participating rights. Control is further demonstrated by the ability of the general partner to manage day-to-day operations, refinance debt and sell the assets of the joint venture without the consent of the limited partner and inability of the limited partner to replace the general partner. We use the equity method of accounting for those joint ventures where we do not have control over operating and financial policies. Under the equity method of accounting, our investment in each joint venture is included on our balance sheet; however, the assets and liabilities of the joint ventures for which we use the equity method are not included on our balance sheet.

To the extent that we contribute assets to a joint venture, our investment in the joint venture is recorded at our cost basis in the assets that were contributed to the joint venture. To the extent that our cost basis is different than the basis reflected at the joint venture level, the basis difference is amortized over the life of the related asset and included in our share of equity in earnings of the joint venture. We recognize gains on the contribution or sale of real estate to joint ventures, relating solely to the outside partner's interest, to the extent the economic substance of the transaction is a sale.

Cost Capitalization: Direct and certain indirect costs, including interest, clearly associated with the development, construction, leasing or expansion of real estate investments are capitalized as a cost of the property.

We capitalize interest and direct and indirect project costs associated with the initial construction of a property up to the time the property is substantially complete and ready for its intended use. We believe the completion of the building shell is the proper basis for determining substantial completion. The interest rate used to capitalize interest is based upon our average borrowing rate on existing debt.

We also capitalize direct and indirect costs, including interest costs, on vacant space during extended lease-up periods after construction of the building shell has been completed if costs are being incurred to ready the vacant space for its intended use. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once necessary work has been completed on a vacant space, project costs are no longer capitalized. We cease capitalization of all project costs on extended lease-up periods after the shorter of a one-year period after the completion of the building shell or when the property attains 90% occupancy. In addition, all leasing commissions paid to third parties for new leases or lease renewals are capitalized.

In assessing the amount of indirect costs to be capitalized, we first allocate payroll costs, on a department-by-department basis, among activities for which capitalization is warranted (i.e., construction, development and leasing) and those for which capitalization is not warranted (i.e., property management, maintenance, acquisitions and dispositions and general corporate functions). To the extent the employees

of a department split their time between capitalizable and non-capitalizable activities, the allocations are made based on estimates of the actual amount of time spent in each activity. Once the payroll costs are allocated, the non-payroll costs of each department are allocated among the capitalizable and non-capitalizable activities in the same proportion as payroll costs.

To ensure that an appropriate amount of costs are capitalized, the amount of capitalized costs that are allocated to a specific project are limited to amounts using standards we developed. These standards consist of a percentage of the total development costs of a project and a percentage of the total gross lease amount payable under a specific lease. These standards are derived after considering the amounts that would be allocated if the personnel in the departments were working at full capacity. The use of these standards ensures that overhead costs attributable to downtime or to unsuccessful projects or leasing activities are not capitalized.

Impairment of Real Estate Assets: We evaluate our real estate assets, with the exception of those that are classified as held-for-sale, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such an evaluation is considered necessary, we compare the carrying amount of that real estate asset, or asset group, with the expected undiscounted cash flows that are directly associated with, and that are expected to arise as a direct result of, the use and eventual disposition of that asset, or asset group. Our estimate of the expected future cash flows used in testing for impairment is based on, among other things, our estimates regarding future market conditions, rental rates, occupancy levels, costs of tenant improvements, leasing commissions and other tenant concessions, assumptions regarding the residual value of our properties at the end of our anticipated holding period and the length of our anticipated holding period and is, therefore, subjective by nature. These assumptions could differ materially from actual results. If our strategy changes or if market conditions otherwise dictate a reduction in the holding period and an earlier sale date, an impairment loss could be recognized and such loss could be material. To the extent the carrying amount of a real estate asset, or asset group, exceeds the associated estimate of undiscounted cash flows, an impairment loss is recorded to reduce the carrying value of the asset to its fair value. The determination of the fair value of real estate assets is also highly subjective, especially in markets where there is a lack of recent comparable transactions. We primarily utilize the income approach to estimate the fair value of our income producing real estate assets. To the extent that the assumptions used in testing long-lived assets for impairment differ from those of a marketplace participant, the assumptions are modified in order to estimate the fair value of a real estate asset when an impairment charge is measured. In addition to determining future cash flows, which make the estimation of a real estate asset's undiscounted cash flows highly subjective, the selection of the discount rate and exit capitalization rate used in applying the income approach is also highly subjective. To the extent applicable marketplace data is available, we generally use the market approach in estimating the fair value of undeveloped land that is determined to be impaired.

Real estate assets that are classified as held-for-sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell.

Acquisition of Real Estate Property and Related Assets: We allocate the purchase price of acquired properties to net tangible and identified intangible assets based on their respective fair values. We record assets acquired in step acquisitions at their full fair value and record a gain or loss for the difference between the fair value and the carrying value of our existing equity interest. Additionally, contingencies arising from a business combination are recorded at fair value if the acquisition date fair value can be determined during the measurement period.

The allocation to tangible assets (buildings, tenant improvements and land) is based upon management's determination of the value of the property as if it were vacant using discounted cash flow models similar to those used by independent appraisers. Factors considered by management include an estimate of carrying costs during the expected lease-up periods considering current market conditions, and costs to execute similar leases. The purchase price of real estate assets is also allocated among three categories of intangible assets consisting of the above or below market component of in-place leases, the value of in-place leases and the value of customer relationships.

The value allocable to the above or below market component of an acquired in-place lease is determined based upon the present value (using an interest rate which reflects the risks associated with the lease) of the difference between (i) the contractual amounts to be paid pursuant to the lease over its remaining term and (ii) management's estimate of the amounts that would be paid using current fair market rates over the remaining term of the lease. The amounts allocated to above market leases are included in deferred leasing and other costs in the balance sheet and below market leases are included in other liabilities in the balance sheet; both are amortized to rental income over the remaining terms of the respective leases.

The total amount of intangible assets is further allocated to in-place lease values and to customer relationship values, based upon management's assessment of their respective values. These intangible assets are included in deferred leasing and other costs in the balance sheet and are amortized over the remaining term of the existing lease, or the anticipated life of the customer relationship, as applicable.

Valuation of Receivables: We are subject to tenant defaults and bankruptcies that could affect the collection of rent due under leases or of outstanding receivables. In order to mitigate these risks, we perform credit reviews and analyses on major existing tenants and prospective tenants before leases are executed. We have established the following procedures and policies to evaluate the collectability of outstanding receivables and record allowances:

We maintain a tenant "watch list" containing a list of significant tenants for which the payment of receivables and future rent may be at risk. Various factors such as late rent payments, lease or debt instrument defaults, and indications of a deteriorating financial position are considered when determining whether to include a tenant on the watch list.

As a matter of policy, we reserve the entire receivable balance, including straight-line rent, of any tenant with an amount outstanding over 90 days.

Straight-line rent receivables for any tenant on the watch list or any other tenant identified as a potential long-term risk, regardless of the status of current rent receivables, are reviewed and reserved as necessary.

Construction Contracts: We recognize income on construction contracts where we serve as a general contractor on the percentage of completion method. Using this method, profits are recorded on the basis of our estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon our estimates of the percentage of completion of the construction contract. To the extent that a fixed-price contract is estimated to result in a loss, the loss is recorded immediately. Cumulative revenues recognized may be less or greater than cumulative costs and profits billed at any point in time during a contract's term. This revenue recognition method involves inherent risks relating to profit and cost estimates with those risks reduced through approval and monitoring processes.

With regard to critical accounting policies, management has discussed the following with the Audit Committee:

• Criteria for identifying and selecting our critical accounting policies;

• Methodology in applying our critical accounting policies; and

• Impact of the critical accounting policies on our financial statements.

The Audit Committee has reviewed the critical accounting policies identified by management.

Liquidity and Capital Resources

Sources of Liquidity

At December 31, 2011 we held \$213.8 million of cash, we had no outstanding borrowings on our \$850.0 million unsecured line of credit, and we also had the ability to issue up to \$150.0 million worth of new shares of common stock pursuant to an at-the-market program, which has a prospectus supplement currently on file with the SEC. We believe that these sources of liquidity, in addition to our cash flows from Rental Operations, will provide more-than-sufficient capacity to meet our short-term liquidity requirements over the next twelve months.

In addition to our existing sources of liquidity, we expect to meet long-term liquidity requirements, such as scheduled mortgage and unsecured debt maturities, property acquisitions, financing of development activities and other non-recurring capital improvements, through multiple sources of capital including operating cash flow and accessing the public debt and equity markets.

Rental Operations

Cash flows from Rental Operations is our primary source of liquidity and provides a stable cash flow to fund operational expenses. We believe that this cash-based revenue stream is substantially aligned with revenue recognition (except for periodic straight-line rental income accruals and amortization of above or below market rents) as cash receipts from the leasing of rental properties are generally received in advance of or in a short time following the actual revenue recognition.

We are subject to a number of risks related to general economic conditions, including reduced occupancy, tenant defaults and bankruptcies, and potential reduction in rental rates upon renewal or re-letting of properties, each of which would result in reduced cash flow from operations. In 2011, we recognized \$3.4 million of expense related to reserving doubtful receivables, including reserves on straight-line rent, compared to \$5.9 million in 2010.

Unsecured Debt and Equity Securities

Our unsecured lines of credit as of December 31, 2011 are described as follows (in thousands):

| Description | Borrowing Capacity | Maturity Date | Outstanding Balance at December 31, 2011 |
|--|--------------------|---------------|--|
| Unsecured Line of Credit – DRLP | \$850,000 | December 2015 | \$ — |
| Unsecured Line of Credit – Consolidated Subsidiary | \$30,000 | July 2012 | \$ 20,293 |

We renewed DRLP's unsecured line of credit in November 2011. Under the revised terms, the DRLP unsecured line of credit continues to have a borrowing capacity of \$850.0 million with the interest rate on borrowings reduced to LIBOR plus 1.25% (with no borrowings as of December 31, 2011). The maturity date was extended from February 2013 to December 2015. Subject to certain conditions, the terms also include an option to increase the facility by up to an additional \$400.0 million, for a total of up to \$1.25 billion. This line of credit provides us with an option to obtain borrowings from financial institutions that

participate in the line at rates that may be lower than the stated interest rate, subject to certain restrictions.

This line of credit contains financial covenants that require us to meet certain financial ratios and defined levels of performance, including those related to fixed charge coverage, unsecured interest expense coverage and debt-to-asset value (with asset value being defined in the DRLP unsecured line of credit agreement). As of December 31, 2011, we were in compliance with all covenants under this line of credit.

At December 31, 2011, we had on file with the SEC an automatic shelf registration statement on Form S-3, relating to the offer and sale, from time to time, of an indeterminate amount of DRLP's debt securities (including guarantees thereof) and the Company's common shares, preferred shares and other securities. From time to time, we expect to issue additional securities under this automatic shelf registration statement to fund the repayment of long-term debt upon maturity and for other general corporate purposes.

Pursuant to our automatic shelf registration statement, at December 31, 2011, we had on file with the SEC a prospectus supplement that allows us to issue new shares of our common stock, from time to time, pursuant to an at-the-market offering program, with an aggregate offering price of up to \$150.0 million. No new shares have been issued pursuant to this prospectus supplement as of December 31, 2011.

The indentures (and related supplemental indentures) governing our outstanding series of notes also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such covenants as of December 31, 2011.

Sale of Real Estate Assets

We regularly work to identify, consider and pursue opportunities to dispose of non-strategic properties on an opportunistic basis and on a basis that is generally consistent with our strategic plans. Our ability to dispose of such properties on favorable terms, or at all, is dependent upon a number of factors including the availability of credit to potential buyers to purchase properties at prices that we consider acceptable. Although we believe that we have demonstrated our ability to generate significant liquidity through the disposition of non-strategic properties, potential future adverse changes to general market and economic conditions could negatively impact our further ability to dispose of such properties.

Transactions with Unconsolidated Entities

Transactions with unconsolidated partnerships and joint ventures also provide a source of liquidity. From time to time we will sell properties to unconsolidated entities, while retaining a continuing interest in that entity, and receive proceeds commensurate to those interests that we do not own. Additionally, unconsolidated entities will from time to time obtain debt financing and will distribute to us, and our joint venture partners, all or a portion of the proceeds from such debt offering.

We have a 20% equity interest in an unconsolidated joint venture ("Duke/Hulfish") which, along with its subsidiary entities, has acquired 35 properties from us since its formation in May 2008. We have received cumulative net sale and financing proceeds of approximately \$847.2 million through December 31, 2011. We are party to an agreement that grants Duke/Hulfish a right to participate in future build-to-suit or speculative developments on certain specified parcels of our undeveloped land.

During 2011, we sold 13 suburban office buildings totaling approximately 2.0 million square feet to Duke/Hulfish for \$342.8 million, of which our 80% share of net proceeds totaled \$273.7 million. During 2011, we also received a net financing distribution of \$46.9 million, which was commensurate to our 20% share of the net proceeds of permanent financing that was obtained by Duke/Hulfish.

Uses of Liquidity

Our principal uses of liquidity include the following:

- accretive property investment;
- leasing/capital costs;
- dividends and distributions to shareholders and unitholders;
- long-term debt maturities;
- opportunistic repurchases of outstanding debt and preferred stock; and
- other contractual obligations.

Property Investment

During 2011 we made further significant progress on an asset repositioning strategy that involves increasing our investment concentration in industrial and medical office properties while reducing our investment concentration in suburban office properties. Pursuant to this strategy, we will continue to evaluate development and acquisition opportunities based upon market outlook, supply and long-term growth potential. Our ability to make future property investments, along with being dependent upon identifying suitable acquisition and development opportunities, is also dependent upon our continued access to our longer-term sources of liquidity, including issuances of debt or equity securities as well as generating cash flow by disposing of selected properties.

In light of current economic conditions, management continues to evaluate our investment priorities and is focused on accretive long-term growth.

Leasing/Capital Costs

Tenant improvements and leasing commissions related to the initial leasing of newly completed or acquired properties are referred to as first generation expenditures. Such expenditures are included within development of real estate investments and other deferred leasing costs in our Consolidated Statements of Cash Flows.

Tenant improvements and leasing costs to re-let rental space that had been previously under lease to tenants are referred to as second generation expenditures. Building improvements that are not specific to any tenant but serve to improve integral components of our real estate properties are also second generation expenditures.

One of our principal uses of our liquidity is to fund the second generation leasing/capital expenditures of our real estate investments. The following is a summary of our second generation capital expenditures for the years ended December 31, 2011, 2010 and 2009, respectively (in thousands):

| | 2011 | 2010 | 2009 |
|---------------------------------------|----------|----------|----------|
| Second generation tenant improvements | \$50,079 | \$36,676 | \$29,321 |
| Second generation leasing costs | 38,130 | 39,090 | 40,412 |
| Building improvements | 11,055 | 12,957 | 9,321 |
| Totals | \$99,264 | \$88,723 | \$79,054 |

Both our first and second generation expenditures vary significantly between leases on a per square foot basis, dependent upon several factors including the product type, nature of a tenant's operations, the specific physical characteristics of each individual property as well as the market in which the property is located.

Dividends and Distributions

We are required to meet the distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in order to maintain our REIT status. Because depreciation and impairments are non-cash expenses, cash flow will typically be greater than operating income. We paid dividends per share of \$0.68, \$0.68 and \$0.76 for the years ended December 31, 2011, 2010 and 2009, respectively. We expect to continue to distribute at least an amount equal to our taxable earnings, to meet the requirements to maintain our REIT status, and additional amounts as determined by our board of directors. Distributions are declared at the discretion of our board of directors and are subject to actual cash available for distribution, our financial condition, capital requirements and such other factors as our board of directors deems relevant.

At December 31, 2011 we had five series of preferred stock outstanding. The annual dividend rates on our preferred shares range between 6.5% and 8.375% and are paid in arrears quarterly. In July 2011, we redeemed all of our Series N Shares for a total payment of \$108.6 million, thus reducing our future quarterly dividend commitments by \$2.0 million.

Debt Maturities

Debt outstanding at December 31, 2011 had a face value totaling \$3.8 billion with a weighted average interest rate of 6.42% maturing at various dates through 2028. Of this total amount, we had \$2.6 billion of unsecured notes, \$20.3 million outstanding on the unsecured line of credit of a consolidated subsidiary and \$1.2 billion of secured debt outstanding at December 31, 2011. Scheduled principal amortization, repurchases and maturities of unsecured notes and secured debt totaled \$363.5 million for the year ended December 31, 2011 while we also made net repayments of \$175.0 million on DRLP's \$850.0 million unsecured line of credit in 2011.

The following is a summary of the scheduled future amortization and maturities of our indebtedness at December 31, 2011 (in thousands, except percentage data):

| Year | Future Repayments | | | Weighted Average Interest Rate of Future Repayments |
|------------|------------------------|--------------|--------------|---|
| | Scheduled Amortization | Maturities | Total | |
| 2012 | \$ 16,994 | \$ 336,941 | \$ 353,935 | 5.35% |
| 2013 | 16,730 | 521,644 | 538,374 | 6.27% |
| 2014 | 15,590 | 282,900 | 298,490 | 6.22% |
| 2015 | 14,015 | 358,381 | 372,396 | 6.81% |
| 2016 | 12,001 | 506,690 | 518,691 | 6.11% |
| 2017 | 9,908 | 544,932 | 554,840 | 5.95% |
| 2018 | 7,937 | 300,000 | 307,937 | 6.08% |
| 2019 | 6,936 | 518,438 | 525,374 | 7.97% |
| 2020 | 5,381 | 250,000 | 255,381 | 6.73% |
| 2021 | 3,416 | 9,047 | 12,463 | 5.59% |
| 2022 | 3,611 | — | 3,611 | 5.57% |
| Thereafter | 14,178 | 50,000 | 64,178 | 6.93% |
| | \$ 126,697 | \$ 3,678,973 | \$ 3,805,670 | 6.42% |

We anticipate generating capital to fund our debt maturities by using undistributed cash generated from our Rental Operations and property dispositions, and by raising additional capital from future debt or equity transactions.

Repurchases of Outstanding Debt and Preferred Stock

To the extent that it supports our overall capital strategy, we may purchase certain of our outstanding unsecured debt prior to its stated maturity or redeem or repurchase certain of our outstanding series of

preferred stock.

Guarantee Obligations

We are subject to various guarantee obligations in the normal course of business and, in most cases, do not anticipate these obligations to result in significant cash payments.

We are, however, subject to a joint and several guarantee of the construction loan agreement of the 3630 Peachtree joint venture. A contingent liability in the amount of \$17.7 million, which represents our maximum remaining future exposure under the guarantee, is included within other liabilities in our Consolidated Balance Sheet as of December 31, 2011 based on the probability of us being required to pay this obligation to the lender.

Historical Cash Flows

Cash and cash equivalents were \$213.8 million and \$18.4 million at December 31, 2011 and 2010, respectively. The following highlights significant changes in net cash associated with our operating, investing and financing activities (in thousands):

| | Years Ended December 31, | | |
|--|--------------------------|-----------|-----------|
| | 2011 | 2010 | 2009 |
| Net Cash Provided by Operating Activities | \$337,537 | \$391,156 | \$400,472 |
| Net Cash Provided by (Used for) Investing Activities | 750,935 | (288,790) | (175,948) |
| Net Cash Used for Financing Activities | (893,047) | (231,304) | (99,734) |

Operating Activities

Cash flows from operating activities provide the cash necessary to meet normal operational requirements of our Rental Operations and Service Operations activities. The receipt of rental income from Rental Operations continues to provide the primary source of our revenues and operating cash flows.

The decrease in net cash provided by operating activities in 2011 from 2010 is, in large part, due to a \$10.9 million increase in cash outflows from third-party construction contracts as well as a \$14.7 million increase in cash paid for interest. Our third-party construction activities were profitable, in the aggregate, during 2011 and the net cash outflows during the year were the result of the timing of cash receipts and payments.

Investing Activities

Investing activities are one of the primary uses of our liquidity. Development and acquisition activities typically generate additional rental revenues and provide cash flows for operational requirements. Highlights of significant cash sources and uses are as follows:

Real estate development costs totaled \$162.1 million for the year ended December 31, 2011, compared to \$119.4 million and \$268.9 million for the years ended December 31, 2010 and 2009, respectively. The change in development activity is consistent with our strategy to limit new development starts to properties with significant pre-leasing or in product lines and markets that we believe will provide future growth.

During 2011, we paid cash of \$544.8 million for real estate acquisitions, compared to \$488.5 million in 2010 and \$31.7 million in 2009. In addition, we paid cash of \$14.1 million for undeveloped land in 2011, compared to \$14.4 million in 2010 and \$5.5 million in 2009.

Sales of land and depreciated property provided \$1.57 billion in net proceeds in 2011, compared to \$499.5 million in 2010 and \$256.3 million in 2009.

During 2011, we contributed or advanced \$34.6 million to fund development activities within unconsolidated companies, compared to \$53.2 million in 2010 and \$23.5 million in 2009.

We received capital distributions (as a result of the sale of properties or refinancing) from unconsolidated subsidiaries of \$59.3 million in 2011 and \$22.1 million in 2010. We received no such distributions from unconsolidated companies in 2009.

Financing Activities

The following items highlight significant capital transactions:

In December 2011, we repaid the remaining \$167.6 million of our 3.75% Exchangeable Notes at their scheduled maturity date. In August and March 2011, we also repaid \$122.5 million and \$42.5 million, respectively, of unsecured notes with an effective rate of 5.69% and 6.96%, respectively, at their scheduled maturity dates. In January 2010, we repaid \$99.8 million of senior unsecured notes with an effective interest rate of 5.37% at their scheduled maturity date. We also repaid \$124.0 million of corporate unsecured debt and \$82.1 million of senior unsecured notes with effective interest rates of 6.83% and 7.86%, respectively, at their scheduled maturity dates in February 2009 and November 2009, respectively.

Throughout 2011 and 2010, we completed open market repurchases of approximately 80,000 shares and 4.5 million shares, respectively, of our 8.375% Series O Cumulative Redeemable Preferred Shares (the "Series O Shares"). We paid \$2.1 million in 2011 for shares that had a face value of \$2.0 million, compared to \$118.8 million in 2010 for shares that had a face value of \$112.1 million.

In July 2011, we redeemed all of the outstanding shares of our Series N Shares for a total payment of \$108.6 million. We decreased net borrowings on DRLP's \$850.0 million line of credit by \$175.0 million for the year ended December 31, 2011, compared to an increase of \$175.0 million in 2010 and a decrease of \$474.0 million in 2009.

In April 2010, we issued \$250.0 million of senior unsecured notes that bear interest at an effective rate of 6.75% and mature in March 2020. In August 2009, we issued \$250.0 million of senior unsecured notes due in 2015 bearing interest at an effective rate of 7.50% and \$250.0 million of senior unsecured notes due in 2019 bearing interest at an effective rate of 8.38%. We had no senior unsecured note issuances in 2011.

During 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2011 and 2013. In total, we paid \$292.2 million for unsecured notes that had a face value of \$279.9 million. Throughout 2009, we repurchased certain of our outstanding series of unsecured notes maturing in 2009 through 2011. In total, cash payments of \$500.9 million were made to repurchase notes with a face value of \$542.9 million.

In June 2010, we issued 26.5 million shares of common stock for net proceeds of \$298.1 million. In April 2009, we issued 75.2 million shares of common stock for net proceeds of \$551.4 million. We had no common stock issuances in 2011.

We paid cash dividends of \$0.68 per common share in 2011, compared to cash dividends of \$0.68 per common share in 2010 and \$0.76 per common share in 2009.

In February, March and July 2009, we received cash proceeds of \$270.0 million from three 10-year secured debt financings that are secured by 32 rental properties. The secured debt bears interest at a weighted average rate of 7.69% and matures at various points in 2019.

Credit Ratings

We are currently assigned investment grade corporate credit ratings on our senior unsecured notes from

Moody's Investors Service and Standard and Poor's Ratings Group. Our senior unsecured notes have been assigned ratings of BBB- and Baa2 by Standard and Poor's Ratings Group and Moody's Investors Service, respectively. Our preferred shares carry ratings of BB and Baa3 from Standard and Poor's Ratings Group and Moody's Investors Service, respectively.

The ratings of our senior unsecured notes and preferred shares could change based upon, among other things, the impact that prevailing economic conditions may have on our results of operations and financial condition.

Financial Instruments

We are exposed to capital market risk, such as changes in interest rates. In order to reduce the volatility relating to interest rate risk, we may enter into interest rate hedging arrangements from time to time. We do not utilize derivative financial instruments for trading or speculative purposes.

Off Balance Sheet Arrangements

Investments in Unconsolidated Companies

We have equity interests in unconsolidated partnerships and limited liability companies that primarily own and operate rental properties and hold land for development. These unconsolidated joint ventures are primarily engaged in the operations and development of industrial, office and medical office real estate properties. The equity method of accounting (see Critical Accounting Policies) is used for these investments in which we have the ability to exercise significant influence, but not control, over operating and financial policies. As a result, the assets and liabilities of these entities are not included on our balance sheet.

Our investments in and advances to unconsolidated subsidiaries represent approximately 5% of our total assets as of December 31, 2011 and 2010, respectively. We believe that these investments provide several benefits to us, including increased market share, tenant and property diversification and an additional source of capital to fund real estate projects.

The following table presents summarized financial information for unconsolidated companies for the years ended December 31, 2011 and 2010, respectively (in thousands, except percentage data):

| | Joint Ventures | |
|--|----------------|-------------|
| | 2011 | 2010 |
| Land, buildings and tenant improvements, net | \$2,051,412 | \$1,687,228 |
| Construction in progress | 12,208 | 120,834 |
| Undeveloped land | 177,742 | 177,473 |
| Other assets | 309,409 | 242,461 |
| | \$2,550,771 | \$2,227,996 |
| Indebtedness | \$1,317,554 | \$1,082,823 |
| Other liabilities | 71,241 | 66,471 |
| | 1,388,795 | 1,149,294 |
| Owners' equity | 1,161,976 | 1,078,702 |
| | \$2,550,771 | \$2,227,996 |
| Rental revenue | \$272,937 | \$228,378 |
| Gain on sale of properties | \$2,304 | \$4,517 |
| Net income | \$10,709 | \$19,202 |
| Total square feet | 25,569 | 23,522 |
| Percent leased | 90.42 | % 89.24 % |

We do not have any relationships with unconsolidated entities or financial partnerships (“special purpose entities”) that have been established solely for the purpose of facilitating off-balance sheet arrangements.

Contractual Obligations

At December 31, 2011, we were subject to certain contractual payment obligations as described in the following table:

| Contractual Obligations | Payments due by Period (in thousands) | | | | | | |
|--|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|
| | Total | 2012 | 2013 | 2014 | 2015 | 2016 | Thereafter |
| Long-term debt (1) | \$4,982,181 | \$569,559 | \$743,252 | \$485,320 | \$532,454 | \$658,638 | \$1,992,958 |
| Lines of credit (2) | 26,806 | 22,556 | 2,125 | 2,125 | — | — | — |
| Share of debt of unconsolidated joint ventures (3) | 494,575 | 57,028 | 123,133 | 46,750 | 75,033 | 23,801 | 168,830 |
| Ground leases | 106,333 | 1,917 | 1,920 | 1,943 | 1,951 | 1,958 | 96,644 |
| Operating leases | 2,725 | 580 | 495 | 474 | 454 | 422 | 300 |
| Development and construction backlog costs (4) | 354,246 | 275,164 | 79,082 | — | — | — | — |
| Other | 308 | 55 | 30 | 30 | 12 | — | 181 |
| Total Contractual Obligations | \$5,967,174 | \$926,859 | \$950,037 | \$536,642 | \$609,904 | \$684,819 | \$2,258,913 |

(1) Our long-term debt consists of both secured and unsecured debt and includes both principal and interest. Interest expense for variable rate debt was calculated using the interest rates as of December 31, 2011.

(2) Our unsecured lines of credit consist of an operating line of credit that matures December 2015 and the line of credit of a consolidated subsidiary that matures July 2012. Interest expense for our unsecured lines of credit was calculated using the most recent stated interest rates that were in effect.

(3) Our share of unconsolidated joint venture debt includes both principal and interest. Interest expense for variable rate debt was calculated using the interest rate at December 31, 2011.

(4) Represents estimated remaining costs on the completion of owned development projects and third-party construction projects.

Related Party Transactions

We provide property and asset management, leasing, construction and other tenant related services to unconsolidated companies in which we have equity interests. For the years ended December 31, 2011, 2010 and 2009, respectively, we earned management fees of \$10.1 million, \$7.6 million and \$8.4 million, leasing fees of \$4.4 million, \$2.7 million and \$4.2 million and construction and development fees of \$6.7 million, \$10.3 million and \$10.2 million from these companies. We recorded these fees based on contractual terms that approximate market rates for these types of services, and we have eliminated our ownership percentages of these fees in the consolidated financial statements.

Commitments and Contingencies

We have guaranteed the repayment of \$81.4 million of economic development bonds issued by various municipalities in connection with certain commercial developments. We will be required to make payments under our guarantees to the extent that incremental taxes from specified developments are not sufficient to pay the bond debt service.

Management does not believe that it is probable that we will be required to make any significant payments in satisfaction of these guarantees.

We also have guaranteed the repayment of secured and unsecured loans of six of our unconsolidated subsidiaries. At December 31, 2011, the maximum guarantee exposure for these loans was approximately \$234.1 million. Included in our total guarantee exposure is a joint and several guarantee of the construction loan agreement of the 3630 Peachtree joint venture, which had a carrying amount of \$17.7 million at December 31, 2011.

We lease certain land positions with terms extending to December 2080, with a total obligation of \$106.3 million. No payments on these ground leases are material in any individual year.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. In the

opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect our consolidated financial statements or results of operations.

Item 7A. Quantitative and Qualitative Disclosure About Market Risks

We are exposed to interest rate changes primarily as a result of our line of credit and long-term borrowings. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we borrow primarily at fixed rates. We do not enter into derivative or interest rate transactions for speculative purposes. We have one outstanding swap, which has a fixed rate on one of our variable rate loans; it is not significant to our Financial Statements in terms of notional amount or fair value at December 31, 2011.

Our interest rate risk is monitored using a variety of techniques. The table below presents the principal amounts (in thousands) of the expected annual maturities, weighted average interest rates for the average debt outstanding in the specified period, fair values (in thousands) and other terms required to evaluate the expected cash flows and sensitivity to interest rate changes.

| | 2012 | 2013 | 2014 | 2015 | 2016 | Thereafter | Total | Fair Value |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|
| Fixed rate secured debt | \$109,966 | \$110,528 | \$45,463 | \$119,870 | \$366,021 | \$411,419 | \$1,163,267 | \$1,256,331 |
| Weighted average interest rate | 6.02% | 5.84% | 5.73% | 5.38% | 5.86% | 7.07% | | |
| Variable rate secured debt | \$830 | \$880 | \$935 | \$300 | \$300 | \$2,800 | \$6,045 | \$6,045 |
| Weighted average interest rate | 0.26% | 0.26% | 0.27% | 0.17% | 0.17% | 0.17% | | |
| Fixed rate unsecured debt | \$201,846 | \$426,966 | \$252,092 | \$252,226 | \$152,370 | \$1,309,565 | \$2,595,065 | \$2,813,661 |
| Weighted average interest rate | 5.87% | 6.40% | 6.33% | 7.49% | 6.71% | 6.65% | | |
| Variable rate unsecured notes | \$21,000 | \$— | \$— | \$— | \$— | \$— | \$21,000 | \$20,949 |
| Rate at December 31, 2011 | 1.14% | N/A | N/A | N/A | N/A | N/A | | |
| Unsecured lines of credit | \$20,293 | \$— | \$— | \$— | \$— | \$— | \$20,293 | \$20,244 |
| Rate at December 31, 2011 | 1.14% | N/A | N/A | N/A | N/A | N/A | | |

As the table incorporates only those exposures that exist as of December 31, 2011, it does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, our hedging strategies at that time to the extent we are party to interest rate derivatives, and interest rates. Interest expense on our unsecured lines of credit will be affected by fluctuations in LIBOR indices as well as changes in our credit rating. The interest rate at such point in the future as we may renew, extend or replace our unsecured lines of credit will be heavily dependent

upon the state of the credit environment.

At December 31, 2011, the face value of our unsecured debt was \$2.6 billion and we estimated the fair value of that unsecured debt to be \$2.8 billion. At December 31, 2010, the face value of our unsecured notes was \$3.0 billion and our estimate of the fair value of that debt was \$3.2 billion.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data are included under Item 15 of this Report.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There was no change or disagreement with our accountants related to our accounting and financial disclosures.

Item 9A. Controls and Procedures

We conducted an evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” as of the end of the period covered by this Report. The controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer.

Attached as exhibits to this Report are certifications of the Chief Executive Officer and Chief Financial Officer, which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934. This Controls and Procedures section includes the information concerning the controls evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

Disclosure controls and procedures (as defined in Rule 13a-15 and 15d-15f under the Securities Exchange Act of 1934 (the “Exchange Act”)) are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Report, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including the Company’s principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Based on the disclosure controls and procedures evaluation referenced above, our Chief Executive Officer and Chief Financial Officer have concluded that as of the end of the period covered by this Report, our disclosure controls and procedures were effective.

Management’s annual report on internal control over financial reporting and the audit report of our registered public accounting firm are included in Item 15 of Part IV under the headings “Management’s Report on Internal Control” and “Report of Independent Registered Public Accounting Firm,” respectively, and are incorporated herein by reference. There were no changes in our internal controls over financial reporting during the quarter ended December 31, 2011, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information

There was no information required to be disclosed in a report on Form 8-K during the fourth quarter of 2011 for which no Form 8-K was filed.

PART III

Item 10. Directors and Executive Officers of the Registrant

The following is a summary of the executive officers of the Company as of January 1, 2012:

Dennis D. Oklak, age 58. Mr. Oklak joined the Company in 1986. He has held various senior executive positions within the Company and was promoted to Chief Executive Officer and joined the Company’s

Board of Directors in April 2004. In April 2005, Mr. Oklak was appointed Chairman of the Board of Directors. Mr. Oklak serves on the Board of Governors of the National Association of Real Estate Investment Trusts, or “NAREIT,” the Board of Trustees of the Urban Land Institute and is a member of the Real Estate Roundtable. Mr. Oklak serves as Co-Chairman of the Central Indiana Corporate Partnership, the Board of Trustees of the Crossroads of America Council of the Boy Scouts of America Foundation and the Dean's Advisory Board for Ball State University's Miller College of Business. From 2003 to 2009, Mr. Oklak was a member of the board of directors of publicly-traded recreational vehicle manufacturer, Monaco Coach Corporation. Mr. Oklak has served as a director of the Company since 2004.

Christie B. Kelly, age 50. Ms. Kelly was appointed as Executive Vice President and Chief Financial Officer of the Company effective February 27, 2009. Ms. Kelly has 25 years of experience ranging from financial planning and strategic development to senior leadership roles in financial management, mergers and acquisitions, information technology and investment banking. Prior to joining the Company, Ms. Kelly served as Senior Vice President of the Global Real Estate Group at Lehman Brothers from 2007 to February 2009. Previously, Ms. Kelly was employed by General Electric Company from 1983 to 2007 and served in numerous finance and operational leadership roles, including Business Development Leader for Mergers and Acquisitions for GE Real Estate from 2003 to 2007.

Howard L. Feinsand, age 64. Mr. Feinsand has served as the Company's Executive Vice President and General Counsel since 1999, and, since 2003, also has served as our Corporate Secretary. Mr. Feinsand served on the Company's Board of Directors from 1988 to January 2003. From 1996 until 1999, Mr. Feinsand was the founder and principal of Choir Capital Ltd. From 1995 until 1996, he was Managing Director of Citicorp North America, Inc. He was the Senior Vice President and Manager-Capital Markets, Pricing and Investor Programs of GE Capital Aviation Services, Inc. from 1989 to 1995. From 1971 through 1989, Mr. Feinsand practiced law in New York City.

Mr. Feinsand serves as a member of the Governing Board of the Woodruff Arts Center, Atlanta, Georgia, and Treasurer and Chair of its Finance Committee. He is also a member of the Board of Directors of The Alliance Theatre at the Woodruff Arts Center in Atlanta, Georgia and trustee of the Jewish Federation of Greater Atlanta.

Steven R. Kennedy, age 55. Mr. Kennedy was named Executive Vice President, Construction on January 1, 2004. From 1986 until 2004, he served in various capacities in the construction group, most recently as Senior Vice President.

James B. Connor, age 53. Mr. Connor was appointed Senior Regional Executive Vice President of the Company, effective January 1, 2011. His responsibilities include managing and leading the Company's business units in Minneapolis, St. Louis, Chicago, Indianapolis, Cincinnati, Columbus and Cleveland. Prior to being named Senior Regional Executive Vice President, Mr. Connor held various senior management positions with the Company, including Executive Vice President of the Company's Midwest region, a position he held between December 2003 and December 2010. Prior to joining the Company in 1998, Mr. Connor held numerous executive and brokerage positions with Cushman & Wakefield, most recently serving as Senior Managing Director for the Midwest area.

All other information required by this item will be included in our 2012 proxy statement (the “2012 Proxy Statement”) for our Annual Meeting of Shareholders to be held on April 25, 2012, and is incorporated herein by reference. Certain information with respect to our executive officers required by this item is included in the discussion entitled “Executive Officer of the Registrant” after Item 4 of Part I of this Report. In addition, our Code of Conduct (which applies to each of our associates, officers and directors) and our Corporate Governance Guidelines are available in the investor information/corporate governance section of our website at www.dukerealty.com. A copy of these documents may also be obtained without charge by writing to Duke Realty Corporation, 600 East 96th Street, Suite 100, Indianapolis, Indiana 46240, Attention: Investor Relations.

Item 11. Executive Compensation

The information required by Item 11 of this Report will be included in our 2012 Proxy Statement, which information is incorporated herein by this reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 of this Report will be included in our 2012 Proxy Statement, which information is incorporated herein by this reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be furnished pursuant to Item 13 of this Report will be included in our 2012 Proxy Statement, which information is incorporated herein by this reference.

Item 14. Principal Accountant Fees and Services

The information required to be furnished pursuant to Item 14 of this Report will be included in our 2012 Proxy Statement, which information is incorporated herein by this reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report:

1. Consolidated Financial Statements

The following Consolidated Financial Statements, together with the Management's Report on Internal Control and the Report of Independent Registered Public Accounting Firm are listed below:

Management's Report on Internal Control
Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets, December 31, 2011 and 2010
Consolidated Statements of Operations, Years Ended December 31, 2011, 2010 and 2009
Consolidated Statements of Cash Flows, Years Ended December 31, 2011, 2010 and 2009
Consolidated Statements of Changes in Equity, Years Ended December 31, 2011, 2010 and 2009
Notes to Consolidated Financial Statements

2. Consolidated Financial Statement Schedules

Schedule III – Real Estate and Accumulated Depreciation

3. Exhibits

The following exhibits are filed with this Form 10-K or incorporated herein by reference to the listed document previously filed with the SEC. Previously unfiled documents are noted with an asterisk (*).

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| Number | Description |
|----------|---|
| 3.1(i) | Fourth Amended and Restated Articles of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 30, 2009, and incorporated herein by this reference). |
| 3.1(ii) | Amendment to the Fourth Amended and Restated Articles of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 22, 2011, and incorporated herein by this reference). |
| 3.2 | Fourth Amended and Restated Bylaws of the Company (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on July 30, 2009, and incorporated herein by this reference). |
| 4.1(i) | Indenture, dated September 19, 1995, between DRLP and The First National Bank of Chicago, Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 22, 1995, and incorporated herein by this reference). |
| 4.1(ii) | Eleventh Supplemental Indenture, dated August 26, 2002, between DRLP and Bank One Trust Company, N.A., Trustee (filed as Exhibit 4 to DRLP's Current Report on Form 8-K, filed with the SEC on August 26, 2002, and incorporated herein by this reference). |
| 4.1(iii) | Thirteenth Supplemental Indenture, dated May 22, 2003, between DRLP and Bank One Trust Company, N.A., Trustee (filed as Exhibit 4 to DRLP's Current Report on Form 8-K, filed with the SEC on May 22, 2003, and incorporated herein by this reference). |
| 4.1(iv) | Seventeenth Supplemental Indenture, dated August 16, 2004, between DRLP and J.P. Morgan Trust Company, National Association, Trustee (filed as Exhibit 4 to DRLP's Current Report on Form 8-K, filed with the SEC on August 18, 2004, and incorporated herein by this reference). |
| 4.1(v) | Nineteenth Supplemental Indenture, dated as of March 1, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, N.A.), including the form of global note evidencing the 5.5% Senior Notes Due 2016 (filed as Exhibit 4.1 to DRLP's Current Report on Form 8-K, filed with the SEC on March 3, 2006, and incorporated herein by this reference). |
| 4.1(vi) | Twentieth Supplemental Indenture, dated as of July 24, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association (successor in interest to The First National Bank of Chicago), modifying certain financial covenants contained in Sections 1004 and 1005 of the Indenture, dated September 19, 1995, between DRLP and The First National Bank of Chicago, Trustee (filed as Exhibit 4.1 to DRLP's Current Report on Form 8-K, filed with the SEC on July 28, 2006, and incorporated herein by this reference). |
| 4.2(i) | Indenture, dated as of July 28, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association (filed as Exhibit 4.1 to the Company's automatic shelf registration statement on Form S-3, filed with the SEC on July 31, 2006, and incorporated herein by this reference). |
| 4.2(ii) | Second Supplemental Indenture, dated as of August 24, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association, including the form of global note evidencing the 5.95% Senior Notes Due 2017 (filed as Exhibit 4.2 to DRLP's Current Report on Form 8-K, filed with the SEC on August 30, 2006, and incorporated herein by this reference). |

- 4.2(iii) Third Supplemental Indenture, dated as of September 11, 2007, by and between DRLP and The Bank of New York Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 6.50% Senior Notes Due 2018 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DRLP, filed with the SEC on September 11, 2007, and incorporated herein by this reference).
- 4.2(iv) Fourth Supplemental Indenture, dated as of May 8, 2008, by and between DRLP and The Bank of New York Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 6.25% Senior Notes due 2013 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DRLP, filed with the SEC on May 8, 2008, and incorporated herein by this reference).
- 4.2(v) Fifth Supplemental Indenture, dated as of August 11, 2009, by and between DRLP and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 7.375% Senior Notes Due 2015 (filed as Exhibit 4.1 to DRLP's Current Report on Form 8-K, filed with the SEC on August 11, 2009, and incorporated herein by this reference).
- 4.2(vi) Sixth Supplemental Indenture, dated as of August 11, 2009, by and between DRLP and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 8.25% Senior Notes Due 2019 (filed as Exhibit 4.2 to DRLP's Current Report on Form 8-K, filed with the SEC on August 11, 2009, and incorporated herein by this reference).
- 4.2(vii) Seventh Supplemental Indenture, dated as of April 1, 2010, by and between DRLP and J.P. Morgan Trust Company, National Association, including the form of global note evidencing the 6.75% Senior Notes due 2020 (filed as Exhibit 4.1 to DRLP's Current Report on Form 8-K, filed with the SEC on April 1, 2010, and incorporated herein by this reference).
- 10.1(i) Fourth Amended and Restated Agreement of Limited Partnership of DRLP (filed as Exhibit 3.1 to DRLP's Current Report on Form 8-K, filed with the SEC on November 3, 2009, and incorporated herein by this reference).
- 10.1(ii) Amendment to the Fourth Amended and Restated Agreement of Limited Partnership of DRLP (filed as Exhibit 3.1 to DRLP's Current Report on Form 8-K, filed with the SEC on July 22, 2011, and incorporated herein by this reference).
- 10.2 Promissory Note of the Services Partnership (filed as Exhibit 10.3 to the Company's Registration Statement on Form S-2, filed with the SEC on June 8, 1993, and incorporated herein by this reference).
- 10.3(i) Amended and Restated 2005 Long-Term Incentive Plan of the Company (filed as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A, dated March 18, 2009, filed with the SEC on March 18, 2009, and incorporated herein by this reference).#
- 10.3(ii) 2009 Amendment to the Company's Amended and Restated 2005 Long-Term Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 6, 2010, and incorporated herein by this reference).#

- 10.3(iii) 2010 Amendment to the Company's Amended and Restated 2005 Long-Term Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 4, 2010, and incorporated herein by this reference).#
- 10.3(iv) 2011 Amendment to the Company's Amended and Restated 2005 Long-Term Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on August 5, 2011, and incorporated herein by this reference).#
- 10.4 The Company's 2005 Shareholder Value Plan, a sub-plan of the 2005 Long-Term Incentive Plan (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
- 10.5 The Company's 2011 Non-Employee Directors Compensation Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 6, 2011, and incorporated herein by this reference).#
- 10.6 Form of 2005 Long-Term Incentive Plan Stock Option Award Certificate (filed as Exhibit 99.4 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
- 10.7 Form of 2005 Long-Term Incentive Plan Award Certificate for Restricted Stock Units and Shareholder Value Plan Awards (filed as Exhibit 99.5 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
- 10.8 Form of 2005 Long-Term Incentive Plan Restricted Stock Unit Award Certificate for Non-Employee Directors (filed as Exhibit 99.6 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
- 10.9 The Company's 2005 Dividend Increase Unit Replacement Plan (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 9, 2005, and incorporated herein by this reference).#
- 10.10 Form of Forfeiture Agreement/Performance Unit Award Agreement (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K, filed with the SEC on December 9, 2005, and incorporated herein by this reference).#
- 10.11(i) 1995 Key Employee Stock Option Plan of the Company (filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, filed with the SEC on March 30, 1995, and incorporated herein by this reference).#
- 10.11(ii) Amendment One to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.11(iii) Amendment Two to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.11(iv) Amendment Three to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K405 for the year ended December

31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#

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- 10.11(v) Amendment Four to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.11(vi) Amendment Five to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.11(vii) Amendment Six to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.24 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.11(viii) Amendment Seven to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
- 10.11(ix) Amendment Eight to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.15(ix) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference.) #
- 10.11(x) Amendment Nine to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on October 9, 2005, and incorporated herein by this reference).#
- 10.11(xi) Amendment Ten to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 8, 2006, and incorporated herein by this reference).#
- 10.11(xii) Amendment Eleven to the 1995 Key Employees' Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on May 4, 2010, and incorporated herein by this reference).#
- 10.12(i) Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.12(ii) Amendment One to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.12(iii) Amendment Two to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.27 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.12(iv) Amendment Three to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#

- 10.12(v) Amendment Four to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, filed with the SEC on March 7, 2006, and incorporated herein by this reference).#
- 10.13(i) 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, filed with the SEC on March 30, 1995, and incorporated herein by this reference).#
- 10.13(ii) Amendment One to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.13(iii) Amendment Two to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.13(iv) Amendment Three to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
- 10.13(v) Amendment Four to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
- 10.13(vi) Amendment Five to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on October 9, 2005, and incorporated herein by this reference).#
- 10.14(i) 1999 Directors' Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Annex F to the prospectus in the Company's Registration Statement on Form S-4, filed with the SEC on May 4, 1999, and incorporated herein by this reference).#
- 10.14(ii) Amendment One to the 1999 Directors' Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Appendix B of the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 15, 2005, and incorporated herein by this reference).#
- 10.15(i) 1999 Salary Replacement Stock Option and Dividend Increase Unit Plan (filed as Annex G to the prospectus in the Company's Registration Statement on Form S-4, filed with the SEC on May 4, 1999, and incorporated herein by this reference).#
- 10.15(ii) Amendment One to the 1999 Salary Replacement Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
- 10.15(iii) Amendment Two to the 1999 Salary Replacement Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#

- 10.16(i) 2000 Performance Share Plan of Duke-Weeks Realty Corporation (filed as Exhibit A of the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 15, 2001, and incorporated herein by this reference).#
- 10.16(ii) Amendment One to the 2000 Performance Share Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
- 10.16(iii) Amendment Two to the 2000 Performance Share Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.42 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003, filed with the SEC on March 5, 2004, and incorporated herein by this reference).#
- 10.16(iv) Amendment Three to the 2000 Performance Share Plan of Duke-Weeks Realty Corporation, (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 2, 2006, and incorporated herein by this reference).#
- 10.17(i) Directors' Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 8, 2006, and incorporated herein by this reference).#
- 10.17(ii) Amendment One to the Directors' Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.21(ii) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference).#
- 10.17(iii) Amendment Two to the Directors' Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on October 9, 2005, and incorporated herein by this reference).#
- 10.17(iv) Amendment Three to the Directors' Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 99.2 to the Company's Registration Statement on Form S-8, filed with the SEC on March 24, 2004, and incorporated herein by this reference).#
- 10.18 Seventh Amended and Restated Revolving Credit Agreement, dated November 18, 2011, among DRLP, the Company, J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, JP Morgan Chase Bank, N.A. and the several banks, financial institutions and other entities from time to time parties thereto as lenders (filed as Exhibit 10.1 to DRLP's Current Report on Form 8-K, filed with the SEC on November 22, 2011, and incorporated herein by this reference).
- 10.19(i) Form of Letter Agreement Regarding Executive Severance, dated December 13, 2007, between the Company, as the General Partner of DRLP, and the following executive officers: Dennis D. Oklak, Howard L. Feinsand, Steven R. Kennedy and James B. Connor (filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on February 29, 2008, and incorporated herein by this reference).
- 10.19(ii) Form of Letter Agreement Regarding Executive Severance, dated May 7, 2009, between the Company and Christie B. Kelly (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 8, 2009, and incorporated herein by this reference).

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- 10.20 Agreement of Purchase and Sale by and among DRLP, the other entities controlled by or affiliated with DRLP and BRE/Central Office Holdings L.L.C., dated as of October 20, 2011.*
- 10.21 Term Loan Agreement, dated as of February 28, 2006, by and among DRLP, as borrower, the Company, as General Partner and Guarantor, certain of their respective subsidiaries, as guarantors, Bank of America, N.A., individually and as Administrative Agent, Banc of America Securities LLC, as Lead Arranger and Sole Book Runner, and each of the other lenders named therein (filed as Exhibit 10.1 to DRLP's Current Report on Form 8-K, filed with the SEC on March 3, 2006, and incorporated herein by this reference).
- 10.22 Common Stock Delivery Agreement, dated November 22, 2006, by and between DRLP and the Company (filed as Exhibit 10.2 to DRLP's Current Report on Form 8-K, filed with the SEC on November 29, 2006, and incorporated herein by this reference).
- 10.23 Contribution Agreement, dated December 5, 2006, by and between DRLP and Quantico and Belbrook Realty Corporation, an affiliate of an investment fund managed by Eaton Vance (filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference).(1)
- 10.24 Contribution Agreement, dated December 5, 2006, by and between DRLP and Lafayette and Belcrest Realty Corporation, an affiliate of an investment fund managed by Eaton Vance (filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference).(1)
- 10.25 Contribution Agreement, dated January 1, 2005, by and between DRLP, Duke Management, Inc., the Company and Duke Realty Services Limited Partnership (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 4, 2005, and incorporated herein by this reference).
- 12.1 Statement of Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Dividends.*
- 21.1 List of the Company's Subsidiaries.*
- 23.1 Consent of KPMG LLP.*
- 24.1 Executed Powers of Attorney of certain directors.*
- 31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
- 31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
- 32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* **

32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* **

99.1 Selected Quarterly Financial Information.*

101 The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2011 formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Changes in Equity and (v) the Notes to Consolidated Financial Statements.

Represents management contract or compensatory plan or arrangement.

* Filed herewith.

** The certifications attached as Exhibits 32.1 and 32.2 accompany this Report and are "furnished" to the Securities and Exchange Commission pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by us for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

(1) Confidential treatment of the agreement was requested.

We will furnish to any security holder, upon written request, copies of any exhibit incorporated by reference, for a fee of 15 cents per page, to cover the costs of furnishing the exhibits. Written requests should include a representation that the person making the request was the beneficial owner of securities entitled to vote at the Annual Meeting of Shareholders.

(b) Exhibits

The exhibits required to be filed with this Report pursuant to Item 601 of Regulation S-K are listed under "Exhibits" in Part IV, Item 15(a)(3) of this Report and are incorporated herein by reference.

(c) Financial Statement Schedule

The Financial Statement Schedule required to be filed with this Report is listed under "Consolidated Financial Statement Schedules" in Part IV, Item 15(a)(2) of this Report, and is incorporated herein by reference.

Management's Report on Internal Control

We, as management of Duke Realty Corporation and its subsidiaries ("Duke"), are responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Pursuant to the rules and regulations of the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Management has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2011 based on the control criteria established in a report entitled Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, we have concluded that, as of December 31, 2011, our internal control over financial reporting is effective based on these criteria.

The independent registered public accounting firm of KPMG LLP, as auditors of Duke's consolidated financial statements, has also issued an audit report on Duke's internal control over financial reporting.

/s/ Dennis D. Oklak
Dennis D. Oklak
Chairman and Chief Executive Officer

/s/ Christie B. Kelly
Christie B. Kelly
Executive Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm
The Shareholders and Directors of
Duke Realty Corporation:

We have audited the accompanying consolidated balance sheets of Duke Realty Corporation and Subsidiaries (the "Company") as of December 31, 2011 and 2010 and the related consolidated statements of operations, cash flows and changes in equity for each of the years in the three-year period ended December 31, 2011. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule III. We also have audited the Company's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements and the financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material

respects, the financial position of Duke Realty Corporation and Subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S generally accepted accounting principles. Also in our opinion, the related financial statement schedule III, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also, in our opinion, Duke Realty Corporation and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP

Indianapolis, Indiana
February 24, 2012

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31,

(in thousands, except per share amounts)

| | 2011 | 2010 |
|--|--------------|--------------|
| ASSETS | | |
| Real estate investments: | | |
| Land and improvements | \$1,202,872 | \$1,166,409 |
| Buildings and tenant improvements | 4,766,793 | 5,396,339 |
| Construction in progress | 44,259 | 61,205 |
| Investments in and advances to unconsolidated companies | 364,859 | 367,445 |
| Undeveloped land | 622,635 | 625,353 |
| | 7,001,418 | 7,616,751 |
| Accumulated depreciation | (1,108,650) | (1,290,417) |
| Net real estate investments | 5,892,768 | 6,326,334 |
| Real estate investments and related assets held-for-sale | 55,580 | 394,287 |
| Cash and cash equivalents | 213,809 | 18,384 |
| Accounts receivable, net of allowance of \$3,597 and \$2,945 | 22,255 | 22,588 |
| Straight-line rent receivable, net of allowance of \$7,447 and \$7,260 | 105,900 | 125,185 |
| Receivables on construction contracts, including retentions | 40,247 | 7,408 |
| Deferred financing costs, net of accumulated amortization of \$59,109 and \$46,407 | 42,268 | 46,320 |
| Deferred leasing and other costs, net of accumulated amortization of \$292,334 and \$269,000 | 460,881 | 517,934 |
| Escrow deposits and other assets | 170,729 | 185,836 |
| | \$7,004,437 | \$7,644,276 |
| LIABILITIES AND EQUITY | | |
| Indebtedness: | | |
| Secured debt | \$1,173,233 | \$1,065,628 |
| Unsecured notes | 2,616,063 | 2,948,405 |
| Unsecured lines of credit | 20,293 | 193,046 |
| | 3,809,589 | 4,207,079 |

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| | | |
|---|--------------|--------------|
| Liabilities related to real estate investments held-for-sale | 975 | 14,732 |
| Construction payables and amounts due subcontractors, including retentions | 55,775 | 44,782 |
| Accrued real estate taxes | 69,272 | 83,615 |
| Accrued interest | 58,904 | 62,407 |
| Other accrued expenses | 60,174 | 61,448 |
| Other liabilities | 131,735 | 129,860 |
| Tenant security deposits and prepaid rents | 38,355 | 50,450 |
| Total liabilities | 4,224,779 | 4,654,373 |
| Shareholders' equity: | | |
| Preferred shares (\$.01 par value); 5,000 shares authorized; 3,176 and 3,618 shares issued and outstanding | 793,910 | 904,540 |
| Common shares (\$.01 par value); 400,000 shares authorized; 252,927 and 252,195 shares issued and outstanding | 2,529 | 2,522 |
| Additional paid-in capital | 3,594,588 | 3,573,720 |
| Accumulated other comprehensive income (loss) | 987 | (1,432) |
| Distributions in excess of net income | (1,677,328) | (1,533,740) |
| Total shareholders' equity | 2,714,686 | 2,945,610 |
| Noncontrolling interests | 64,972 | 44,293 |
| Total equity | 2,779,658 | 2,989,903 |
| | \$7,004,437 | \$7,644,276 |

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

For the Years Ended December 31,

(in thousands, except per share amounts)

| | 2011 | 2010 | 2009 |
|--|------------|-------------|--------------|
| Revenues: | | | |
| Rental and related revenue | \$752,478 | \$678,795 | \$634,455 |
| General contractor and service fee revenue | 521,796 | 515,361 | 449,509 |
| | 1,274,274 | 1,194,156 | 1,083,964 |
| Expenses: | | | |
| Rental expenses | 147,173 | 137,348 | 130,811 |
| Real estate taxes | 103,724 | 89,718 | 83,471 |
| General contractor and other services expenses | 480,480 | 486,865 | 427,666 |
| Depreciation and amortization | 330,450 | 279,606 | 245,456 |
| | 1,061,827 | 993,537 | 887,404 |
| Other operating activities: | | | |
| Equity in earnings of unconsolidated companies | 4,565 | 7,980 | 9,896 |
| Gain on sale of properties | 68,549 | 39,662 | 12,337 |
| Earnings from sales of land | — | — | 357 |
| Undeveloped land carrying costs | (8,934) | (9,203) | (10,403) |
| Impairment charges | (12,931) | (9,834) | (275,360) |
| Other operating expenses | (1,237) | (1,231) | (1,017) |
| General and administrative expenses | (43,107) | (41,329) | (47,937) |
| | 6,905 | (13,955) | (312,127) |
| Operating income (loss) | 219,352 | 186,664 | (115,567) |
| Other income (expenses): | | | |
| Interest and other income, net | 658 | 534 | 1,229 |
| Interest expense | (223,053) | (189,094) | (151,605) |
| Gain (loss) on debt transactions | — | (16,349) | 20,700 |
| Acquisition-related activity | (1,188) | 55,820 | (1,062) |
| Income (loss) from continuing operations before income taxes | (4,231) | 37,575 | (246,305) |
| Income tax benefit | 194 | 1,126 | 6,070 |
| Income (loss) from continuing operations | (4,037) | 38,701 | (240,235) |
| Discontinued operations: | | | |
| Loss before impairment charges and gain on sales | (536) | (6,493) | (10,835) |
| Impairment charges | — | — | (27,206) |
| Gain on sale of depreciable properties | 100,882 | 33,054 | 6,786 |
| Income (loss) from discontinued operations | 100,346 | 26,561 | (31,255) |
| Net income (loss) | 96,309 | 65,262 | (271,490) |
| Dividends on preferred shares | (60,353) | (69,468) | (73,451) |
| Adjustments for redemption/repurchase of preferred shares | (3,796) | (10,438) | — |
| Net (income) loss attributable to noncontrolling interests | (744) | 536 | 11,340 |
| Net income (loss) attributable to common shareholders | \$31,416 | \$(14,108) | \$(333,601) |
| Basic net income (loss) per common share: | | | |
| Continuing operations attributable to common shareholders | \$(0.28) | \$(0.18) | \$(1.51) |
| Discontinued operations attributable to common shareholders | 0.39 | 0.11 | (0.16) |
| Total | \$0.11 | \$(0.07) | \$(1.67) |
| Diluted net income (loss) per common share: | | | |
| Continuing operations attributable to common shareholders | \$(0.28) | \$(0.18) | \$(1.51) |

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| | | | |
|--|---------|-----------|-----------|
| Discontinued operations attributable to common shareholders | 0.39 | 0.11 | (0.16) |
| Total | \$0.11 | \$(0.07) | \$(1.67) |
| Weighted average number of common shares outstanding | 252,694 | 238,920 | 201,206 |
| Weighted average number of common shares and potential dilutive securities | 259,598 | 238,920 | 201,206 |

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31,

(in thousands)

| | 2011 | 2010 | 2009 |
|--|------------|------------|--------------|
| Cash flows from operating activities: | | | |
| Net income (loss) | \$96,309 | \$65,262 | \$(271,490) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | |
| Depreciation of buildings and tenant improvements | 267,222 | 271,058 | 266,803 |
| Amortization of deferred leasing and other costs | 118,457 | 89,126 | 73,323 |
| Amortization of deferred financing costs | 14,530 | 13,897 | 13,679 |
| Straight-line rent adjustment | (23,877) | (15,233) | (18,832) |
| Impairment charges | 12,931 | 9,834 | 302,566 |
| (Gain) loss on debt extinguishment | — | 16,349 | (20,700) |
| (Gain) loss on acquisitions | (1,057) | (57,715) | 1,062 |
| Deferred tax asset valuation allowance | — | — | 7,278 |
| Earnings from land and depreciated property sales | (169,431) | (72,716) | (19,480) |
| Build-for-Sale operations, net | — | — | 14,482 |
| Third-party construction contracts, net | (17,352) | (6,449) | (4,583) |
| Other accrued revenues and expenses, net | 24,001 | 68,892 | 47,831 |
| Operating distributions received in excess of equity in earnings from unconsolidated companies | 15,804 | 8,851 | 8,533 |
| Net cash provided by operating activities | 337,537 | 391,156 | 400,472 |
| Cash flows from investing activities: | | | |
| Development of real estate investments | (162,070) | (119,404) | (268,890) |
| Acquisition of real estate investments and related intangible assets, net of cash acquired | (544,816) | (488,539) | (31,658) |
| Acquisition of undeveloped land | (14,090) | (14,404) | (5,474) |
| Second generation tenant improvements, leasing costs and building improvements | (99,264) | (88,723) | (79,054) |
| Other deferred leasing costs | (26,311) | (38,905) | (23,329) |
| Other assets | 747 | (7,260) | (392) |
| Proceeds from land and depreciated property sales, net | 1,572,093 | 499,520 | 256,330 |
| Capital distributions from unconsolidated companies | 59,252 | 22,119 | — |
| Capital contributions and advances to unconsolidated companies, net | (34,606) | (53,194) | (23,481) |
| Net cash provided by (used for) investing activities | 750,935 | (288,790) | (175,948) |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of common shares, net | — | 298,004 | 551,136 |
| Payments for redemption/repurchase of preferred shares | (110,726) | (118,787) | — |
| Proceeds from unsecured debt issuance | — | 250,000 | 500,000 |
| Payments on and repurchases of unsecured debt | (334,432) | (392,597) | (707,016) |
| Proceeds from secured debt financings | — | 4,158 | 290,418 |
| Payments on secured indebtedness including principal amortization | (29,025) | (207,060) | (11,396) |
| Borrowings (payments) on lines of credit, net | (172,753) | 177,276 | (467,889) |

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| | | | |
|--|------------|------------|------------|
| Distributions to common shareholders | (171,814) | (162,015) | (151,333) |
| Distributions to preferred shareholders | (60,353) | (69,468) | (73,451) |
| Distributions to noncontrolling interests, net | (5,292) | (5,741) | (1,524) |
| Deferred financing costs | (8,652) | (5,074) | (28,679) |
| Net cash used for financing activities | (893,047) | (231,304) | (99,734) |
| Net increase (decrease) in cash and cash equivalents | 195,425 | (128,938) | 124,790 |
| Cash and cash equivalents at beginning of year | 18,384 | 147,322 | 22,532 |
| Cash and cash equivalents at end of year | \$213,809 | \$18,384 | \$147,322 |
| Non-cash investing and financing activities: | | | |
| Assumption of indebtedness and other liabilities in real estate acquisitions | \$177,082 | \$527,464 | \$— |
| Contribution of properties to, net of debt assumed by, unconsolidated companies | \$53,293 | \$41,609 | \$20,663 |
| Investments and advances related to acquisition of previously unconsolidated companies | \$5,987 | \$184,140 | \$206,852 |
| Assumption of indebtedness by buyer in real estate dispositions | \$24,914 | \$— | \$— |
| Conversion of Limited Partner Units to common shares | \$3,130 | \$(8,055) | \$592 |
| Issuance of Limited Partner Units for acquisition | \$28,357 | \$— | \$— |

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
(in thousands, except per share data)

| | Common Shareholders | | | Accumulated | | | |
|---|---------------------|--------------|----------------------------|-----------------------------------|---------------------------------------|---------------------------|-------------|
| | Preferred Stock | Common Stock | Additional Paid-in Capital | Other Comprehensive Income (Loss) | Distributions in Excess of Net Income | Non-Controlling Interests | Total |
| Balance at December 31, 2008 | \$1,016,625 | \$1,484 | \$2,702,513 | \$(8,652) | \$(867,951) | \$55,956 | \$2,899,975 |
| Comprehensive Loss: | | | | | | | |
| Net loss | — | — | — | — | (260,150) | (11,340) | (271,490) |
| Derivative instrument activity | — | — | — | 3,022 | — | — | 3,022 |
| Comprehensive loss | — | — | — | — | — | — | (268,468) |
| Issuance of common shares | — | 752 | 550,652 | — | — | — | 551,404 |
| Stock based compensation plan activity | — | 2 | 13,441 | — | (2,186) | — | 11,257 |
| Conversion of Limited Partner Units | — | 2 | 590 | — | (15) | (577) | — |
| Distributions to preferred shareholders | — | — | — | — | (73,451) | — | (73,451) |
| Distributions to common shareholders (\$0.76 per share) | — | — | — | — | (151,333) | — | (151,333) |
| Distributions to noncontrolling interests, net | — | — | — | — | — | (1,524) | (1,524) |
| Balance at December 31, 2009 | \$1,016,625 | \$2,240 | \$3,267,196 | \$(5,630) | \$(1,355,086) | \$42,515 | \$2,967,860 |
| Comprehensive Income: | | | | | | | |
| Net income | — | — | — | — | 65,798 | (536) | 65,262 |

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| | | | | | | | |
|---|-----------|---------|-------------|-----------|------------------|----------|-------------|
| Derivative instrument activity | — | — | — | 4,198 | — | — | 4,198 |
| Comprehensive income | | | | | | | 69,460 |
| Issuance of common shares | — | 265 | 297,801 | — | — | — | 298,066 |
| Stock based compensation plan activity | — | 3 | 13,056 | — | (2,531 |) — | 10,528 |
| Conversion of Limited Partner Units | — | 14 | (8,069 |) — | — | 8,055 | — |
| Distributions to preferred shareholders | — | — | — | — | (69,468 |) — | (69,468) |
| Repurchase of preferred shares | (112,085 |) — | 3,736 | — | (10,438 |) — | (118,787) |
| Distributions to common shareholders (\$0.68 per share) | — | — | — | — | (162,015 |) — | (162,015) |
| Distributions to noncontrolling interests | — | — | — | — | — | (5,741 |) (5,741) |
| Balance at December 31, 2010 | \$904,540 | \$2,522 | \$3,573,720 | \$ (1,432 |) \$ (1,533,740) | \$44,293 | \$2,989,903 |
| Comprehensive Income: | | | | | | | |
| Net income | — | — | — | — | 95,565 | 744 | 96,309 |
| Derivative instrument activity | — | — | — | 2,419 | — | — | 2,419 |
| Comprehensive income | | | | | | | 98,728 |
| Issuance of Limited Partner Units for acquisition | — | — | — | — | — | 28,357 | 28,357 |
| Stock based compensation plan activity | — | 4 | 14,041 | — | (3,190 |) — | 10,855 |
| Conversion of Limited Partner Units | — | 3 | 3,127 | — | — | (3,130 |) — |
| Distributions to preferred shareholders | — | — | — | — | (60,353 |) — | (60,353) |
| Redemption/repurchase of preferred shares | (110,630 |) — | 3,700 | — | (3,796 |) — | (110,726) |
| Distributions to common shareholders (\$0.68 per share) | — | — | — | — | (171,814 |) — | (171,814) |
| Distributions to noncontrolling interests | — | — | — | — | — | (5,292 |) (5,292) |
| Balance at December 31, 2011 | \$793,910 | \$2,529 | \$3,594,588 | \$ 987 | \$ (1,677,328) | \$64,972 | \$2,779,658 |

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) The Company

Substantially all of our Rental Operations (see Note 9) are conducted through Duke Realty Limited Partnership (“DRLP”). We owned approximately 97.3% of the common partnership interests of DRLP (“Units”) at December 31, 2011. At the option of the holders, and subject to certain restrictions, the remaining Units are redeemable for shares of our common stock on a one-to-one basis and earn dividends at the same rate as shares of our common stock. If it is determined to be necessary in order to continue to qualify as a real estate investment trust (“REIT”), we may elect to purchase the Units for an equivalent amount of cash rather than issuing shares of common stock upon redemption. We conduct our Service Operations (see Note 9) through Duke Realty Services, LLC, Duke Realty Services Limited Partnership and Duke Construction Limited Partnership (“DCLP”), which are consolidated entities that are 100% owned by a combination of us and DRLP. DCLP is owned through a taxable REIT subsidiary that is 100% owned by DRLP. The terms “we”, “us” and “our” refer to Duke Realty Corporation and subsidiaries (the “Company”) and those entities owned or controlled by the Company.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include our accounts and the accounts of our majority-owned or controlled subsidiaries. The equity interests in these controlled subsidiaries not owned by us are reflected as noncontrolling interests in the consolidated financial statements. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. Investments in entities that we do not control, and variable interest entities (“VIEs”) in which we are not the primary beneficiary, are not consolidated and are reflected as investments in unconsolidated companies under the equity method of reporting.

Reclassifications

Certain amounts in the accompanying consolidated financial statements for 2010 and 2009 have been reclassified to conform to the 2011 consolidated financial statement presentation.

Real Estate Investments

Rental real property, including land, land improvements, buildings and tenant improvements, are included in real estate investments and are generally stated at cost. Wholly-owned properties that are accounted for as direct financing leases, and which are not material for separate presentation, are also included within real estate investments. Construction in process and undeveloped land are included in real estate investments and are stated at cost. Real estate investments also include our equity interests in unconsolidated joint ventures that own and operate rental properties and hold land for development.

Depreciation

Buildings and land improvements are depreciated on the straight-line method over their estimated lives not to exceed 40 and 15 years, respectively, for properties that we develop, and not to exceed 30 and 10 years, respectively, for acquired properties. Tenant improvement costs are depreciated using the straight-line method over the shorter of the useful life of the asset or term of the related lease.

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cost Capitalization

Direct and certain indirect costs clearly associated with the development, construction, leasing or expansion of real estate investments are capitalized as a cost of the property. In addition, all leasing commissions paid to third parties for new leases or lease renewals are capitalized. We capitalize a portion of our indirect costs associated with our construction, development and leasing efforts. In assessing the amount of direct and indirect costs to be capitalized, allocations are made based on estimates of the actual amount of time spent in each activity. We do not capitalize any costs attributable to downtime or to unsuccessful projects.

We capitalize direct and indirect project costs associated with the initial construction of a property up to the time the property is substantially complete and ready for its intended use. In addition, we capitalize costs, including real estate taxes, insurance, and utilities, that have been allocated to vacant space based on the square footage of the portion of the building not held available for immediate occupancy during the extended lease-up periods after construction of the building shell has been completed if costs are being incurred to ready the vacant space for its intended use. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once necessary work has been completed on a vacant space, project costs are no longer capitalized. We cease capitalization of all project costs on extended lease-up periods when significant activities have ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the property attains 90% occupancy.

Impairment

We evaluate our real estate assets, with the exception of those that are classified as held-for-sale, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such an evaluation is considered necessary, we compare the carrying amount of that real estate asset, or asset group, with the expected undiscounted cash flows that are directly associated with, and that are expected to arise as a direct result of, the use and eventual disposition of that asset, or asset group. Our estimate of the expected future cash flows used in testing for impairment is based on, among other things, our estimates regarding future market conditions, rental rates, occupancy levels, costs of tenant improvements, leasing commissions and other tenant concessions, assumptions regarding the residual value of our properties at the end of our anticipated holding period and the length of our anticipated holding period and is, therefore, subjective by nature. These assumptions could differ materially from actual results. If our strategy changes or if market conditions otherwise dictate a reduction in the holding period and an earlier sale date, an impairment loss could be recognized and such loss could be material. To the extent the carrying amount of a real estate asset, or asset group, exceeds the associated estimate of undiscounted cash flows, an impairment loss is recorded to reduce the carrying value of the asset to its fair value.

The determination of the fair value of real estate assets is also highly subjective, especially in markets where there is a lack of recent comparable transactions. We primarily utilize the income approach to estimate the fair value of our income producing real estate assets. We utilize marketplace participant assumptions to estimate the fair value of a real estate asset when an impairment charge is required to be measured. The estimation of future cash flows, as well as the selection of the discount rate and exit capitalization rate used in applying the income approach, are highly subjective measures in estimating fair value.

Real estate assets classified as held-for-sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell. Once a property is designated as held-for-sale, no further depreciation

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

expense is recorded.

Purchase Accounting

We expense acquisition related costs immediately as period costs. We record assets acquired in step acquisitions at their full fair value and record a gain or loss, within acquisition-related activity in our consolidated Statements of Operations, for the difference between the fair value and the carrying value of our existing equity interest. Additionally, contingencies arising from a business combination are recorded at fair value if the acquisition date fair value can be determined during the measurement period.

We allocate the purchase price of acquired properties to tangible and identified intangible assets based on their respective fair values, using all pertinent information available at the date of acquisition. The allocation to tangible assets (buildings, tenant improvements and land) is based upon management's determination of the value of the property as if it were vacant using discounted cash flow models similar to those used by independent appraisers. Factors considered by management include an estimate of carrying costs during the expected lease-up periods considering current market conditions, and costs to execute similar leases. The purchase price of real estate assets is also allocated among three categories of intangible assets consisting of the above or below market component of in-place leases, the value of in-place leases and the value of customer relationships.

The value allocable to the above or below market component of an acquired in-place lease is determined based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between (i) the contractual amounts to be paid pursuant to the lease over its remaining term and (ii) management's estimate of the amounts that would be paid using fair market rates over the remaining term of the lease. The amounts allocated to above market leases are included in deferred leasing and other costs in the balance sheet and below market leases are included in other liabilities in the balance sheet; both are amortized to rental income over the remaining terms of the respective leases.

The total amount of intangible assets is allocated to in-place lease values and to customer relationship values based upon management's assessment of their respective values. These intangible assets are included in deferred leasing and other costs in the balance sheet and are depreciated over the remaining term of the existing lease, or the anticipated life of the customer relationship, as applicable.

Joint Ventures

We have equity interests in unconsolidated joint ventures that primarily own and operate rental properties or hold land for development. We consolidate those joint ventures that are considered to be variable interest entities ("VIEs") where we are the primary beneficiary. We analyze our investments in joint ventures to determine if the joint venture is considered a VIE and would require consolidation. We (i) evaluate the sufficiency of the total equity investment at risk, (ii) review the voting rights and decision-making authority of the equity investment holders as a group, and whether there are any guaranteed returns, protection against losses, or capping of residual returns within the group and (iii) establish whether activities within the venture are on behalf of an investor with disproportionately few voting rights in making this VIE determination.

On January 1, 2010, we adopted a new accounting standard that eliminated the primarily quantitative model previously in effect to determine the primary beneficiary of a VIE and replaced it with a qualitative model that focuses on which entities have the power to direct the activities of the VIE as well as the obligation or rights to absorb the VIE's losses or receive its benefits. This new standard requires assessments at each reporting period of which party within the VIE is considered the primary beneficiary and also requires a number of new disclosures related to VIEs. The reconsideration of the initial

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

determination of VIE status is still based on the occurrence of certain events. We were not the primary beneficiary of any VIEs at January 1, 2010 and the implementation of this new accounting standard did not have a material impact on our results of operation or financial condition.

At December 31, 2011, there are three joint ventures that we have determined to meet the criteria to be considered VIEs. Upon reconsideration, we determined that the fair values of the equity investments at risk were not sufficient, when considering their overall capital requirements, and we therefore concluded that these three ventures now meet the applicable criteria to be considered VIEs. These three joint ventures were formed with the sole purpose of developing, constructing, leasing, marketing and selling properties for a profit. The majority of the business activities of these joint ventures are financed with third-party debt, with joint and several guarantees provided by the joint venture partners. All significant decisions for these joint ventures, including those decisions that most significantly impact each venture's economic performance, require unanimous joint venture partner approval as well as, in certain cases, lender approval. For these joint ventures, unanimous joint venture partner approval requirements include entering into new leases, setting annual operating budgets, selling an underlying property, and incurring additional indebtedness. Because no single variable interest holder exercises control over the decisions that most significantly affect each venture's economic performance, we determined that the equity method of accounting is still appropriate for these joint ventures.

The following is a summary of the carrying value in our consolidated balance sheets, as well as our maximum loss exposure under guarantees, for entities we have determined to be VIEs (in millions):

| | Carrying Value | | Maximum Loss Exposure | |
|--------------------------------------|-------------------|-------------------|-----------------------|-------------------|
| | December 31, 2011 | December 31, 2010 | December 31, 2011 | December 31, 2010 |
| Investment in Unconsolidated Company | \$33.5 | \$31.7 | \$33.5 | \$31.7 |
| Guarantee Obligations (1) | \$(17.7) | \$(25.2) | \$(57.0) | \$(63.7) |

We are party to guarantees of the third-party debt of these joint ventures and our maximum loss exposure is equal to the maximum monetary obligation pursuant to the guarantee agreements. In 2009, we recorded a liability for our probable future obligation under a guarantee to the lender of one of these ventures. Pursuant to an agreement with (1) the lender, we may make partner loans to this joint venture that will reduce our maximum guarantee obligation on a dollar-for-dollar basis. The carrying value of our recorded guarantee obligations is included in other liabilities in our Consolidated Balance Sheets.

To the extent that our joint ventures do not qualify as VIEs, they are consolidated if we control them through majority ownership interests or if we are the managing entity (general partner or managing member) and our partner does not have substantive participating rights. Control is further demonstrated by our ability to unilaterally make significant operating decisions, refinance debt and sell the assets of the joint venture without the consent of the non-managing entity and the inability of non-managing entity to remove us from our role as the managing entity. Consolidated joint ventures that are not VIEs are not significant in any period presented in these consolidated financial statements. We use the equity method of accounting for those joint ventures where we exercise significant influence but do not have control. Under the equity method of accounting, our investment in each joint venture is included on our balance sheet; however, the assets and liabilities of the joint ventures for which we use the equity method are not included on our balance sheet.

To the extent that we contribute assets to a joint venture, our investment in the joint venture is recorded at our cost basis in the assets that were contributed to the joint venture. To the extent that our cost basis is different than the basis reflected at the joint venture level, the basis difference is amortized over the life of the related asset and included in our share of equity in net income of the joint venture. We recognize gains

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

on the contribution or sale of real estate to joint ventures, relating solely to the outside partner's interest, to the extent the economic substance of the transaction is a sale.

Cash Equivalents

Investments with an original maturity of three months or less are classified as cash equivalents.

Valuation of Receivables

We reserve the entire receivable balance, including straight-line rent, of any tenant with an amount outstanding over 90 days. Additional reserves are recorded for more current amounts, as applicable, where we have determined collectability to be doubtful. Straight-line rent receivables for any tenant with long-term risk, regardless of the status of current rent receivables, are reviewed and reserved as necessary.

Deferred Costs

Costs incurred in connection with obtaining financing are deferred and are amortized to interest expense over the term of the related loan. All direct and indirect costs, including estimated internal costs, associated with the leasing of real estate investments owned by us are capitalized and amortized over the term of the related lease. We include lease incentive costs, which are payments made on behalf of a tenant to sign a lease, in deferred leasing costs and amortize them on a straight-line basis over the respective lease terms as a reduction of rental revenues. We include as lease incentives amounts funded to construct tenant improvements owned by the tenant. Unamortized costs are charged to expense upon the early termination of the lease or upon early payment of the financing.

Convertible Debt Accounting

Our 3.75% Exchangeable Senior Notes ("Exchangeable Notes") were issued in November 2006 and had an exchange rate of 20.47 common shares per \$1,000 principal amount of the notes, representing an exchange price of \$48.85 per share of our common stock. We repaid the Exchangeable Notes in December 2011. We accounted for the debt and equity components of our Exchangeable Notes separately, with the value assigned to the debt component equal to the estimated fair value of debt with similar contractual cash flows, but without the conversion feature, resulting in the debt being recorded at a discount. The resulting debt discount has been amortized over the period from its issuance through the date of repayment as additional non-cash interest expense.

Interest expense was recognized on the Exchangeable Notes at an effective rate of 5.62%. The increase to interest expense (in thousands) on the Exchangeable Notes, which led to a corresponding decrease to net income, for the years ended December 31, 2011, 2010 and 2009 is summarized as follows:

| | 2011 | 2010 | 2009 |
|---|---------|---------|----------|
| Interest expense on Exchangeable Notes, excluding effect of accounting for convertible debt | \$5,769 | \$7,136 | \$14,850 |
| Effect of accounting for convertible debt | 2,090 | 2,474 | 5,024 |
| Total interest expense on Exchangeable Notes | \$7,859 | \$9,610 | \$19,874 |

Noncontrolling Interests

Noncontrolling interests relate to the minority ownership interests in DRLP and interests in consolidated property partnerships that are not wholly-owned. Noncontrolling interests are subsequently adjusted for additional contributions, distributions to noncontrolling holders and the noncontrolling holders' proportionate share of the net earnings or losses of each respective entity. We report noncontrolling interests as a component of total equity.

When a Unit is redeemed (Note 1), the change in ownership is treated as an equity transaction and there is

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

no effect on our earnings or net assets.

Revenue Recognition

Rental and Related Revenue

The timing of revenue recognition under an operating lease is determined based upon ownership of the tenant improvements. If we are the owner of the tenant improvements, revenue recognition commences after the improvements are completed and the tenant takes possession or control of the space. In contrast, if we determine that the tenant allowances or improvements we are funding are lease incentives, then we commence revenue recognition when possession or control of the space is turned over to the tenant. Rental income from leases is recognized on a straight-line basis.

We record lease termination fees when a tenant has executed a definitive termination agreement with us and the payment of the termination fee is not subject to any material conditions that must be met or waived before the fee is due to us.

General Contractor and Service Fee Revenue

Management fees are based on a percentage of rental receipts of properties managed and are recognized as the rental receipts are collected. Maintenance fees are based upon established hourly rates and are recognized as the services are performed. Construction management and development fees represent fee-based third-party contracts and are recognized as earned based on the percentage of completion method.

We recognize income on construction contracts where we serve as a general contractor on the percentage of completion method. Using this method, profits are recorded based on our estimates of the percentage of completion of individual contracts, commencing when the work performed under the contracts reaches a point where the final costs can be estimated with reasonable accuracy. The percentage of completion estimates are based on a comparison of the contract expenditures incurred to the estimated final costs. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Receivables on construction contracts were in a net under-billed position of \$10.6 million at December 31, 2011 and an over-billed position of \$160,000 at the end of 2010.

Property Sales

Gains on sales of all properties are recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360-20. The specific timing of the sale of a building is measured against various criteria in FASB ASC 360-20 related to the terms of the transactions and any continuing involvement in the form of management or financial assistance from the seller associated with the properties. We make judgments based on the specific terms of each transaction as to the amount of the total profit from the transaction that we recognize considering factors such as continuing ownership interest we may have with the buyer ("partial sales") and our level of future involvement with the property or the buyer that acquires the assets. If the full accrual sales criteria are not met, we defer gain recognition and account for the continued operations of the property by applying the finance, installment or cost recovery methods, as appropriate, until the full accrual sales criteria are met. Estimated future costs to be incurred after completion of each sale are included in the determination of the gain on sales.

To the extent that a property has had operations prior to sale, and that we do not have continuing involvement with the property, gains from sales of depreciated property are included in discontinued operations and the proceeds from the sale of these held-for-rental properties are classified in the investing

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activities section of the Consolidated Statements of Cash Flows.

Gains or losses from our sale of properties that were developed or repositioned with the intent to sell and not for long-term rental ("Build-for-Sale" properties) are classified as gain on sale of properties in the Consolidated Statements of Operations. Other rental properties that do not meet the criteria for presentation as discontinued operations are also classified as gain on sale of properties in the Consolidated Statements of Operations.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) attributable to common shareholders, less dividends on share-based awards expected to vest (referred to as "participating securities" and primarily composed of unvested restricted stock units), by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per common share is computed by dividing the sum of basic net income (loss) attributable to common shareholders and the noncontrolling interest in earnings allocable to Units not owned by us (to the extent the Units are dilutive), by the sum of the weighted average number of common shares outstanding and, to the extent they are dilutive, Units outstanding, as well as any potential dilutive securities for the period.

The following table reconciles the components of basic and diluted net income (loss) per common share (in thousands):

| | 2011 | 2010 | 2009 |
|--|----------|-------------|--------------|
| Net income (loss) attributable to common shareholders | \$31,416 | \$(14,108) | \$(333,601) |
| Less: Dividends on participating securities | (3,243) | (2,513) | (1,759) |
| Basic net income (loss) attributable to common shareholders | 28,173 | (16,621) | (335,360) |
| Noncontrolling interest in earnings of common unitholders | 859 | — | — |
| Diluted net income (loss) attributable to common shareholders | \$29,032 | \$(16,621) | \$(335,360) |
| Weighted average number of common shares outstanding | 252,694 | 238,920 | 201,206 |
| Weighted average partnership Units outstanding | 6,904 | — | — |
| Other potential dilutive shares | — | — | — |
| Weighted average number of common shares and potential dilutive securities | 259,598 | 238,920 | 201,206 |

The Units are anti-dilutive for the years ended December 31, 2010 and 2009 as a result of the net loss for these periods. In addition, potential shares related to our stock-based compensation plans as well as our Exchangeable Notes are anti-dilutive for all years presented. The following table summarizes the data that is excluded from the computation of net income (loss) per common share as a result of being anti-dilutive (in thousands):

| | 2011 | 2010 | 2009 |
|---|-------|-------|----------|
| Noncontrolling interest in earnings of common unitholders | \$— | \$351 | \$11,099 |
| Weighted average partnership Units outstanding | — | 5,950 | 6,687 |
| Other potential dilutive shares: | | | |
| Anti-dilutive outstanding potential shares under fixed stock option plans | 1,677 | 1,779 | 6,768 |
| Anti-dilutive potential shares under the Exchangeable Notes | 3,140 | 3,890 | 8,089 |
| Outstanding participating securities | 4,780 | 4,331 | 2,369 |

Federal Income Taxes

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 to distribute at least 90% of our adjusted taxable income to our stockholders. Management intends to continue to adhere to these requirements and to maintain our REIT status. As a REIT, we are entitled to a tax deduction for some or all of the dividends we pay to shareholders. Accordingly, we generally will not be subject to federal income taxes as long as we currently distribute to shareholders an

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amount equal to or in excess of our taxable income. We are also generally subject to federal income taxes on any taxable income that is not currently distributed to our shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes and may not be able to qualify as a REIT for four subsequent taxable years. REIT qualification reduces, but does not eliminate, the amount of state and local taxes we pay. In addition, our financial statements include the operations of taxable corporate subsidiaries that are not entitled to a dividends paid deduction and are subject to corporate federal, state and local income taxes. As a REIT, we may also be subject to certain federal excise taxes if we engage in certain types of transactions.

The following table reconciles our net income (loss) to taxable income (loss) before the dividends paid deduction for the years ended December 31, 2011, 2010 and 2009 (in thousands):

| | 2011 | 2010 | 2009 |
|--|------------|-----------|--------------|
| Net income (loss) | \$96,309 | \$65,262 | \$(271,490) |
| Book/tax differences | (11,127) | 74,065 | 441,784 |
| Taxable income before adjustments | 85,182 | 139,327 | 170,294 |
| Less: capital gains | — | (62,403) | (10,828) |
| Adjusted taxable income subject to 90% distribution requirement | \$85,182 | \$76,924 | \$159,466 |
| Our dividends paid deduction is summarized below (in thousands): | | | |
| | 2011 | 2010 | 2009 |
| Cash dividends paid | \$232,203 | \$231,446 | \$224,784 |
| Less: Capital gain distributions | — | (62,403) | (10,828) |
| Less: Return of capital | (142,618) | (86,630) | (49,321) |
| Total dividends paid deduction attributable to adjusted taxable income | \$89,585 | \$82,413 | \$164,635 |

A summary of the tax characterization of the dividends paid for the years ended December 31, 2011, 2010 and 2009 follows:

| | 2011 | 2010 | 2009 | |
|-------------------|-------|---------|---------|---|
| Common Shares | | | | |
| Ordinary income | 3.3 | % 24.9 | % 69.0 | % |
| Return of capital | 96.7 | % 56.3 | % 26.4 | % |
| Capital gains | — | % 18.8 | % 4.6 | % |
| | 100.0 | % 100.0 | % 100.0 | % |
| Preferred Shares | | | | |
| Ordinary income | 100.0 | % 57.0 | % 93.7 | % |
| Capital gains | — | % 43.0 | % 6.3 | % |
| | 100.0 | % 100.0 | % 100.0 | % |

Refinements to our operating strategy in 2009 caused us to reduce our projections of taxable income in our taxable REIT subsidiary. As the result of these changes in our projections, we determined that it was more likely than not that the taxable REIT subsidiary would not generate sufficient taxable income to realize any of its deferred tax assets. Accordingly, a full valuation allowance was established for our deferred tax assets in 2009, which we have continued to maintain through December 31, 2011 as we still believe the taxable REIT subsidiary will not generate sufficient taxable income to realize any of its deferred tax assets. Income taxes are not material to our operating results or financial position.

We paid state and local income taxes of \$340,000 and \$800,000 in 2011 and 2009, respectively. We received income tax refunds, net of federal and state income tax payments, of \$19.7 million in 2010. The taxable REIT subsidiaries have no significant net deferred income tax or unrecognized tax benefit items.

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Fair Value Measurements

We follow the framework established under accounting standard FASB ASC 820 for measuring fair value of non-financial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis but only in certain circumstances, such as a business combination.

Assets and liabilities recorded at fair value on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities to which we have access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Use of Estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The most significant estimates, as discussed within our Summary of Significant Accounting Policies, pertain to the critical assumptions utilized in testing real estate assets for impairment, estimating the fair value of real estate assets when an impairment event has taken place and allocating the purchase price of acquired properties to tangible and intangible assets based on their respective fair values. Actual results could differ from those estimates.

(3) Significant Acquisitions and Dispositions

Acquisitions and dispositions during the years ended December 31, 2011 and December 31, 2010 were completed in accordance with our strategy to reposition our investment concentration among product types and further diversify our geographic presence. The results of operations for all acquired properties have been included in continuing operations within our consolidated financial statements since their respective dates of acquisition.

Acquisition of Premier Portfolio

We purchased twelve industrial and four office buildings, as well as other real estate assets, during the year ended December 31, 2011. These purchases completed our acquisition of a portfolio of buildings in South Florida (the "Premier Portfolio"), which was placed under contract in 2010, and resulted in cash payments to the sellers of \$27.4 million, the assumption of secured loans with a face value of \$124.4 million and the issuance to the sellers of 2.1 million Units with a fair value at issuance of \$28.4 million (Note 12). These units are convertible in early 2012.

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On December 30, 2010, we purchased 38 industrial buildings, one office building and other real estate assets within the Premier Portfolio.

The following table summarizes our allocation of the fair value of amounts recognized for each major class of assets and liabilities related to the 55 properties and other real estate assets from the Premier Portfolio that have been purchased through December 31, 2011 (in thousands):

| | Acquired During Year Ended December 31, 2011 | Acquired During Year Ended December 31, 2010 | Total |
|-----------------------------------|--|--|-----------|
| Real estate assets | \$153,656 | \$249,960 | \$403,616 |
| Lease-related intangible assets | 25,445 | 31,091 | 56,536 |
| Other assets | 2,571 | 1,801 | 4,372 |
| Total acquired assets | 181,672 | 282,852 | 464,524 |
| Secured debt | 125,003 | 158,238 | 283,241 |
| Other liabilities | 4,284 | 4,075 | 8,359 |
| Total assumed liabilities | 129,287 | 162,313 | 291,600 |
| Fair value of acquired net assets | \$52,385 | \$120,539 | \$172,924 |

The leases in the acquired properties had a weighted average remaining life at acquisition of approximately 3.5 years.

Other 2011 Acquisitions

In addition to our acquisition of the remaining properties in the Premier portfolio, we also acquired 43 properties during the year ended December 31, 2011. These acquisitions consisted of twelve bulk industrial properties in Chicago, Illinois, six bulk industrial properties in Raleigh, North Carolina, three bulk industrial properties in Dallas, Texas, three bulk industrial properties in Minneapolis, Minnesota, two bulk industrial properties in Southern California, one bulk industrial property in Phoenix, Arizona, one bulk industrial property in Savannah, Georgia, one bulk industrial property in Indianapolis, Indiana, one office property in Raleigh, North Carolina, one office property in Indianapolis, Indiana, one office property in Atlanta, Georgia and eleven medical office properties in various markets. The following table summarizes our allocation of the fair value of amounts recognized for each major class of assets and liabilities (in thousands) for these acquisitions:

| | |
|-----------------------------------|-----------|
| Real estate assets | \$503,556 |
| Lease related intangible assets | 70,994 |
| Other assets | 879 |
| Total acquired assets | 575,429 |
| Secured debt | 40,072 |
| Other liabilities | 8,300 |
| Total assumed liabilities | 48,372 |
| Fair value of acquired net assets | \$527,057 |

The leases in the acquired properties had a weighted average remaining life at acquisition of approximately 6.7 years.

2010 Acquisition of Remaining Interest in Dugan Realty, L.L.C.

On July 1, 2010, we acquired our joint venture partner's 50% interest in Dugan Realty, L.L.C. ("Dugan"), a real estate joint venture that we had previously accounted for using the equity method, for a payment of \$166.7 million. Dugan held \$28.1 million of cash at the time of acquisition, which resulted in a net cash outlay of \$138.6 million. As the result of this transaction we obtained all of Dugan's membership

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interests.

At the date of acquisition, Dugan owned 106 industrial buildings totaling 20.8 million square feet and 63 net acres of undeveloped land located in Midwest and Southeast markets. Dugan had a secured loan with a face value of \$195.4 million due in October 2010, which was repaid at its scheduled maturity date, and a secured loan with a face value of \$87.6 million due in October 2012 (see Note 8).

The following table summarizes our allocation of the fair value of amounts recognized for each major class of assets and liabilities (in thousands):

| | |
|---------------------------------|-----------|
| Real estate assets | \$502,418 |
| Lease related intangible assets | 107,155 |
| Other assets | 28,658 |
| Total acquired assets | \$638,231 |
| Secured debt | \$285,376 |
| Other liabilities | 20,243 |
| Total assumed liabilities | \$305,619 |

| | |
|--|-----------|
| Fair value of acquired net assets (represents 100% interest) | \$332,612 |
|--|-----------|

We previously managed and performed other ancillary services for Dugan's properties and, as a result, Dugan had no employees of its own and no separately recognizable brand identity. As such, we determined that the consideration paid to the seller, plus the fair value of the incremental share of the assumed liabilities, represented the fair value of the additional interest in Dugan that we acquired, and that no goodwill or other non-real estate related intangible assets were required to be recognized through the transaction. Accordingly, we also determined that the fair value of the acquired ownership interest in Dugan equaled the fair value of our existing ownership interest.

In conjunction with acquiring our partner's ownership interest in Dugan, we derecognized a \$50.0 million liability related to a put option held by our partners. The put liability was originally recognized in October 2000, in connection with a sale of industrial properties and undeveloped land to Dugan, at which point our joint venture partner was given an option to put up to \$50.0 million of its interest in Dugan to us in exchange for our common stock or cash (at our option). Our gain on acquisition, considering the derecognition of the put liability, was calculated as follows (in thousands):

| | |
|---|-----------|
| Fair value of existing interest (represents 50% interest) | \$166,306 |
| Less: | |
| Carrying value of investment in Dugan | 158,591 |
| Put option liability derecognized | (50,000) |
| | 108,591 |
| Gain on acquisition | \$57,715 |
| Other 2010 Acquisitions | |

In addition to the 39 Premier Portfolio properties acquired in 2010 as discussed above, and the acquisition of our partner's ownership interest in Dugan, we also acquired 13 additional properties during the year ended December 31, 2010. These acquisitions consisted of three bulk industrial properties in Houston, Texas, two bulk industrial and two office properties in South Florida, two bulk industrial properties in Chicago, Illinois, one bulk industrial property in Phoenix, Arizona, one bulk industrial property in

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Nashville, Tennessee, one bulk industrial property in Columbus, Ohio, and one medical office property in Charlotte, North Carolina.

The following table summarizes our allocation of the fair value of amounts recognized for each major class of assets and liabilities (in thousands):

| | |
|-----------------------------------|-----------|
| Real estate assets | \$254,014 |
| Lease related intangible assets | 71,844 |
| Other assets | 3,652 |
| Total acquired assets | \$329,510 |
| Secured and unsecured debt | \$63,458 |
| Other liabilities | 5,645 |
| Total assumed liabilities | \$69,103 |
| Fair value of acquired net assets | \$260,407 |

2009 Consolidation of Retail Joint Ventures

Through March 31, 2009, we were a member in two retail real estate joint ventures with a retail developer. Both entities were jointly controlled by us and our partner, through equal voting interests, and were accounted for as unconsolidated subsidiaries under the equity method. As of April 1, 2009, we had made combined equity contributions of \$37.9 million to the two entities and we also had combined outstanding principal and accrued interest of \$173.0 million on advances to the two entities.

We advanced \$2.0 million to the two entities, who then distributed the \$2.0 million to our partner in exchange for the redemption of our partner's membership interests, effective April 1, 2009, at which time we obtained 100% control of the voting interests of both entities. We entered into these transactions to gain control of these two entities because it allowed us to operate and potentially dispose of the entities in a manner that best serves our capital needs.

In conjunction with the redemption of our partner's membership interests, we entered into a profits interest agreement that entitles our former partner to additional payments should the combined sale of the two acquired entities, as well as the sale of another retail real estate joint venture that we and our partner still jointly control, result in an aggregate profit. Aggregate profit on the sale of these three projects will be calculated by using a formula defined in the profits interest agreement. We have estimated that the fair value of the potential additional payment to our partner is insignificant.

A summary of the fair value of amounts recognized for each major class of assets and liabilities acquired is as follows (in thousands):

| | |
|-----------------------------------|-----------|
| Real estate assets | \$182,538 |
| Lease related intangible assets | 24,350 |
| Other assets | 3,987 |
| Total acquired assets | 210,875 |
| Liabilities assumed | (4,023) |
| Fair value of acquired net assets | \$206,852 |

The fair values recognized from the real estate and related assets acquired were primarily determined using the income approach. The most significant assumptions in the fair value estimates were the discount rates and the exit capitalization rates.

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We recognized a loss of \$1.1 million upon acquisition, which represents the difference between the fair value of the recognized assets and the carrying value of our pre-existing equity interest. The acquisition date fair value of the net recognized assets as compared to the acquisition date carrying value of our outstanding advances and accrued interest, as well as the acquisition date carrying value of our pre-existing equity interests, is shown as follows (in thousands):

| | |
|---|------------|
| Net fair value of acquired assets and liabilities | \$206,852 |
| Less advances to acquired entities eliminated upon consolidation | (173,006) |
| Less acquisition date carrying value of equity in acquired entities | (34,908) |
| Loss on acquisition | \$(1,062) |

Due to our significant pre-existing ownership and financing positions in the two acquired entities, the inclusion of their results of operations did not have a material effect on our operating income.

Fair Value Measurements

The fair value estimates used in allocating the aggregate purchase price of each acquisition among the individual components of real estate assets and liabilities were determined primarily through calculating the "as-if vacant" value of each building, using the income approach, and relied significantly upon internally determined assumptions. As a result, we have, thus, determined these estimates to have been primarily based upon Level 3 inputs, which are unobservable inputs based on our own assumptions. The range of most significant assumptions utilized in making the lease-up and future disposition estimates used in calculating the "as-if vacant" value of each building acquired during 2011 and 2010 are as follows:

| | 2011 | | 2010 | |
|--|---------|---------|---------|---------|
| | Low | High | Low | High |
| Discount rate | 6.4% | 11.1% | 8.9% | 12.5% |
| Exit capitalization rate | 4.8% | 10.0% | 7.6% | 10.5% |
| Lease-up period (months) | 9 | 36 | 12 | 36 |
| Net rental rate per square foot - Industrial | \$2.75 | \$6.70 | \$1.80 | \$8.00 |
| Net rental rate per square foot - Office | \$8.61 | \$16.00 | \$19.00 | \$19.00 |
| Net rental rate per square foot - Medical Office | \$13.75 | \$27.62 | \$19.27 | \$19.27 |

Acquisition-Related Activity

The acquisition-related activity in our consolidated Statements of Operations includes transaction costs for completed acquisitions, which are expensed as incurred, as well as gains or losses related to acquisitions where we had a pre-existing ownership interest. Acquisition-related activity for the years ended December 31, 2011 and 2010 includes transaction costs of \$2.3 million and \$1.9 million, respectively.

Dispositions

We disposed of undeveloped land and income producing real estate related assets and received net proceeds of \$1.57 billion, \$499.5 million and \$256.3 million in 2011, 2010 and 2009, respectively.

Included in the building dispositions in 2011 is the sale of substantially all of our wholly-owned suburban office real estate properties in Atlanta, Chicago, Columbus, Dallas, Minneapolis, Orlando and Tampa, consisting of 79 buildings that had an aggregate of 9.8 million square feet to affiliates of Blackstone Real Estate Partners. The sales price was approximately \$1.06 billion which, after settlement of certain working capital items and the payment of applicable transaction costs, was received in a combination of

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approximately \$1.02 billion in cash and the assumption by the buyer of mortgage debt with a face value of approximately \$24.9 million.

Also included in the building dispositions in 2011 is the sale of 13 suburban office buildings, totaling over 2.0 million square feet, to an existing 20%-owned unconsolidated joint venture. These buildings were sold to the unconsolidated joint venture for an agreed value of \$342.8 million, of which our 80% share of proceeds totaled \$273.7 million.

Included in the building dispositions in 2010 is the sale of seven suburban office buildings, totaling over 1.0 million square feet, to the same 20%-owned joint venture. These buildings were sold to the unconsolidated joint venture for an agreed value of \$173.9 million, of which our 80% share of proceeds totaled \$139.1 million.

All other dispositions were not individually material.

(4) Related Party Transactions

We provide property management, asset management, leasing, construction and other tenant related services to unconsolidated companies in which we have equity interests. We recorded the corresponding fees based on contractual terms that approximate market rates for these types of services and we have eliminated our ownership percentage of these fees in the consolidated financial statements. The following table summarizes the fees earned from these companies for the years ended December 31, 2011, 2010 and 2009, respectively (in thousands):

| | 2011 | 2010 | 2009 |
|-----------------------------------|----------|---------|---------|
| Management fees | \$10,090 | \$7,620 | \$8,421 |
| Leasing fees | 4,417 | 2,700 | 4,220 |
| Construction and development fees | 6,711 | 10,257 | 10,168 |

(5) Investments in Unconsolidated Companies

As of December 31, 2011, we had equity interests in 20 unconsolidated joint ventures that primarily own and operate rental properties and hold land for development.

Combined summarized financial information for the unconsolidated companies as of December 31, 2011 and 2010, and for the years ended December 31, 2011, 2010 and 2009, are as follows (in thousands):

| | 2011 | 2010 | 2009 |
|--|-------------|-------------|-----------|
| Rental revenue | \$272,937 | \$228,378 | \$254,787 |
| Net income | \$10,709 | \$19,202 | \$9,760 |
| Land, buildings and tenant improvements, net | \$2,051,412 | \$1,687,228 | |
| Construction in progress | 12,208 | 120,834 | |
| Undeveloped land | 177,742 | 177,473 | |
| Other assets | 309,409 | 242,461 | |
| | \$2,550,771 | \$2,227,996 | |
| Indebtedness | \$1,317,554 | \$1,082,823 | |
| Other liabilities | 71,241 | 66,471 | |
| | 1,388,795 | 1,149,294 | |
| Owners' equity | 1,161,976 | 1,078,702 | |
| | \$2,550,771 | \$2,227,996 | |

Dugan generated \$42.5 million in revenues and \$6.4 million of net income in the six months of 2010 prior to its July 1 consolidation. Dugan generated \$85.7 million of revenues and \$12.5 million of net income during 2009.

Our share of the scheduled principal payments of long term debt for the unconsolidated joint ventures for each of the next five years and thereafter as of December 31, 2011 are as follows (in thousands):

| Year | Future Repayments |
|------------|-------------------|
| 2012 | \$30,285 |
| 2013 | 97,601 |
| 2014 | 44,871 |
| 2015 | 64,319 |
| 2016 | 14,948 |
| Thereafter | 156,484 |
| | \$408,508 |

(6) Discontinued Operations and Assets Held for Sale

The following table illustrates the number of properties in discontinued operations:

| | Held For Sale at December 31, 2011 | Sold in 2011 | Sold in 2010 | Sold in 2009 | Total |
|------------|---------------------------------------|--------------|--------------|--------------|-------|
| Office | 7 | 93 | 11 | 5 | 116 |
| Industrial | 6 | 7 | 6 | 0 | 19 |
| Retail | 0 | 1 | 2 | 0 | 3 |
| | 13 | 101 | 19 | 5 | 138 |

We allocate interest expense to discontinued operations and have included such interest expense in computing income from discontinued operations. Interest expense allocable to discontinued operations includes interest on any secured debt for properties included in discontinued operations and an allocable share of our consolidated unsecured interest expense for unencumbered properties. The allocation of unsecured interest expense to discontinued operations was based upon the gross book value of the unencumbered real estate assets included in discontinued operations as it related to the total gross book value of our unencumbered real estate assets.

The following table illustrates the operations of the buildings reflected in discontinued operations for the years ended December 31, 2011, 2010 and 2009, respectively (in thousands):

| | 2011 | 2010 | 2009 |
|--|-----------|------------|-------------|
| Revenues | \$184,571 | \$238,772 | \$264,240 |
| Operating expenses | (85,120) | (103,818) | (110,185) |
| Depreciation and amortization | (55,229) | (80,578) | (94,670) |
| Operating income | 44,222 | 54,376 | 59,385 |
| Interest expense | (44,758) | (60,869) | (70,220) |
| Loss before impairment charges and gain on sales | (536) | (6,493) | (10,835) |
| Impairment charges | — | — | (27,206) |
| Gain on sale of depreciable properties | 100,882 | 33,054 | 6,786 |
| Income (loss) from discontinued operations | \$100,346 | \$26,561 | \$(31,255) |

Dividends on preferred shares and adjustments for redemption or repurchase of preferred shares are allocated entirely to continuing operations. The following table illustrates the allocation of the income (loss) attributable to common shareholders between continuing operations and discontinued operations, reflecting an allocation of income or loss attributable to noncontrolling interests between continuing and discontinued operations, for the years ended December 31, 2011, 2010 and 2009, respectively (in thousands):

| | 2011 | 2010 | 2009 |
|--|-------------|-------------|--------------|
| Loss from continuing operations attributable to common shareholders | \$(66,261) | \$(40,024) | \$(303,352) |
| Income (loss) from discontinued operations attributable to common shareholders | 97,677 | 25,916 | (30,249) |
| Net income (loss) attributable to common shareholders | \$31,416 | \$(14,108) | \$(333,601) |

At December 31, 2011, we classified 13 in-service properties as held-for-sale, while at December 31, 2010, we classified 25 in-service properties as held-for-sale. The following table illustrates aggregate balance sheet information

of these held-for-sale properties (in thousands):

| | December 31, 2011 | December 31, 2010 |
|---------------------------------|----------------------|----------------------|
| Real estate investment, net | \$49,735 | \$354,692 |
| Other assets | 5,845 | 39,595 |
| Total assets held-for-sale | \$55,580 | \$394,287 |
| Accrued expenses | \$254 | \$9,615 |
| Other liabilities | 721 | 5,117 |
| Total liabilities held-for-sale | \$975 | \$14,732 |

(7) Impairments and Other Charges

The following table illustrates impairment and other charges recognized during the years ended December 31, 2011, 2010 and 2009, respectively (in thousands):

| | 2011 | 2010 | 2009 |
|--|----------|---------|-----------|
| Undeveloped land | \$12,931 | \$9,834 | \$136,581 |
| Buildings | — | — | 78,087 |
| Investments in unconsolidated companies | — | — | 56,437 |
| Other real estate related assets | — | — | 31,461 |
| Impairment charges | \$12,931 | \$9,834 | \$302,566 |
| Less: Impairment charges included in discontinued operations | — | — | (27,206) |
| Impairment charges - continuing operations | \$12,931 | \$9,834 | \$275,360 |

Land and Buildings

During 2009, we refined our operating strategy and one result of this change in strategy was the decision to dispose of approximately 1,800 acres of land, which had a total cost basis of \$385.3 million, rather than holding them for future development. Our change in strategy for this land triggered the requirement to conduct an impairment analysis, which resulted in a determination that a significant portion of the land was impaired. We recognized impairment charges on land of \$136.6 million in 2009, primarily as the result of writing down the land that was identified for disposition, and determined to be impaired, to fair value. As part of determining the fair value of the non-strategic land in connection with the impairment analysis, we considered estimates made by national and local independent real estate brokers who were familiar both with the land parcels subject to evaluation as well as with conditions in the specific markets where the land was located. There were few, if any, recent and representative transactions in many of the markets where our non-strategic land was, or is still, located upon which we could base our impairment analysis. In such instances, we considered older comparable transactions, while adjusting estimated values downward to reflect the troubled condition of the overall economy at the time, constraints on available capital for potential buyers, and the resultant effect of both of these factors on real estate prices. In all cases, members of our senior management that were responsible for the individual markets where the non-

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strategic land was located and members of the Company's accounting and financial management team reviewed the broker's estimates for factual accuracy and reasonableness. In almost all cases, our estimate of fair value was comparable to that estimated by the brokers; however, we were ultimately responsible for all valuation estimates made in determining the extent of the impairment. Actual sales of our undeveloped land targeted for disposition could be at prices that differ significantly from our estimates and additional impairments may be necessary in the future in the event market conditions deteriorate further. Our valuation estimates primarily relied upon Level 3 inputs, as defined earlier in this report.

During 2009, we also reviewed our existing portfolio of buildings and determined that several buildings, which had previously not been actively marketed for disposal, were not strategic and would not be held as long-term investments. Additionally, at various times throughout the year, we determined it appropriate to re-evaluate certain other buildings that were in various stages of the disposition process for impairment because new information was available that triggered further analysis. Impairment charges of \$78.1 million were recognized for 28 office, industrial and retail buildings that were determined to be impaired, either as the result of a refinement in management's strategy or changes in market conditions. Of the 28 commercial buildings that were determined to be impaired during 2009, the Company utilized an income approach in determining the fair value of 16 of the buildings and a market approach in determining the fair value of the other twelve buildings. The most significant assumptions, when using the income approach, included the discount rate as well as future exit capitalization rates, occupancy levels, rental rates and capital expenditures. The twelve buildings to which the market approach was applied were in various stages of the selling process. The Company's estimates of fair value for these twelve buildings were based upon asset-specific purchase and sales contracts, letters of intent or otherwise agreed upon offer prices, with third parties. These negotiated prices were based upon, and comparable to, income approach calculations we completed as part of the selling process. Eleven of these twelve properties were sold subsequent to the recognition of the impairment charge. There were no material differences in the ultimate selling price of the buildings compared to the selling price used in measuring the initial impairment charge. Fair value measurements for the buildings that were determined to be impaired relied primarily upon Level 3 inputs, as defined earlier in this report.

Investments in Unconsolidated Subsidiaries

We have an investment in an unconsolidated entity (the "3630 Peachtree joint venture") whose sole activity is the development and operation of the office component of a multi-use office and residential high-rise building located in the Buckhead sub-market of Atlanta. As the result of declines in rental rates and projected increases in capital costs, we analyzed our investment during the three-month period ended September 30, 2009 and recognized an impairment charge to write off our \$14.4 million investment, as we determined that an other-than-temporary decline in value had taken place. As a result of the 3630 Peachtree joint venture's obligations to the lender in its construction loan agreement, the likelihood that our partner would be unable to contribute its share of the additional equity to fund the 3630 Peachtree joint venture's future capital costs, and ultimately the obligation stemming from our joint and several guarantee of the 3630 Peachtree joint venture loan, we recorded an additional liability of \$36.3 million, and an equal charge to impairment expense, for our probable future obligations to the lender. Cash payments made to the 3630 Peachtree joint venture have reduced our obligation under the guarantee to \$17.7 million as of December 31, 2011. The estimates of fair value utilized in determining the aforementioned charges relied primarily on Level 3 inputs, as defined earlier in this report.

Due to credit issues with its most significant tenant, an inability to renew third-party financing on acceptable terms and an increase to its projected capital expenditures, we analyzed an investment in an unconsolidated joint venture (the "Park Creek joint venture") during the three-month period ended June 30, 2009 to determine whether there was an other-than-temporary decline in value. As a result of that

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analysis, we determined that an other-than-temporary decline in value had taken place and we wrote our investment in the Park Creek joint venture down to its fair value, thus recognizing a \$5.8 million impairment charge. We estimated the fair value of the Park Creek joint venture using the income approach and the most significant assumption in the estimate was the expected period of time in which we would hold our investment in the joint venture. We concluded that the estimate of fair value relied primarily upon Level 3 inputs, as defined earlier in this report.

Other Real Estate Related Assets

We recognized \$31.5 million of impairment charges on other real estate related assets during 2009. The impairment charges related primarily to reserving loans receivable from other real estate entities as well as writing off previously deferred development costs. To the extent applicable, we concluded that the estimates of fair value used in determining these impairment charges relied primarily upon Level 3 inputs, as defined earlier in this report.

(8)Indebtedness

Indebtedness at December 31, 2011 and 2010 consists of the following (in thousands):

| | | Weighted Average Interest Rate | Weighted Average Interest Rate | | |
|----------------------------|--------------|--------------------------------------|--------------------------------------|---------------|-------------|
| Maturity Date | | 2011 | 2010 | 2011 | 2010 |
| Fixed rate secured debt | 2012 to 2027 | 6.25 | % 6.41 | % \$1,167,188 | \$1,042,722 |
| Variable rate secured debt | 2014 to 2025 | 0.21 | % 3.69 | % 6,045 | 22,906 |
| Fixed rate unsecured debt | 2012 to 2028 | 6.56 | % 6.43 | % 2,616,063 | 2,948,405 |
| Unsecured lines of credit | 2012 to 2015 | 1.14 | % 2.83 | % 20,293 | 193,046 |
| | | | | \$3,809,589 | \$4,207,079 |

Fixed Rate Secured Debt

As of December 31, 2011, our secured debt was collateralized by rental properties with a carrying value of \$2.0 billion and by letters of credit in the amount of \$6.2 million.

The fair value of our fixed rate secured debt as of December 31, 2011 was \$1.3 billion. Because our fixed rate secured debt is not actively traded in any marketplace, we utilized a discounted cash flow methodology to determine its fair value. Accordingly, we calculated fair value by applying an estimate of the current market rate to discount the debt's remaining contractual cash flows. Our estimate of a current market rate, which is the most significant input in the discounted cash flow calculation, is intended to replicate debt of similar maturity and loan-to-value relationship. The estimated rates ranged from 3.10% to 6.10%, depending on the attributes of the specific loans. The current market rates we utilized were internally estimated; therefore, we have concluded that our determination of fair value for our fixed rate secured debt was primarily based upon Level 3 inputs.

We assumed 13 secured loans in conjunction with our acquisition activity in 2011. These acquired secured loans had a total face value of \$162.4 million and fair value of \$165.1 million. The assumed loans carry a weighted average stated interest rate of 5.75% and a weighted remaining term upon acquisition of 5.5 years. We used estimated market rates ranging between 3.50% and 5.81% in determining the fair value of the loans.

We assumed 19 secured loans in conjunction with our acquisition activity in 2010. These acquired secured loans had a total face value of \$479.0 million and fair value of \$484.7 million. The assumed loans carry a weighted average stated interest rate of 6.46% and a weighted remaining term upon acquisition of

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1.9 years. We used estimated market rates ranging between 5.00% and 5.50% in determining the fair value of the loans.

Unsecured Notes

We took the following actions during 2011 and 2010 as it pertains to our fixed rate unsecured indebtedness:

In December 2011, we repaid \$167.6 million of our 3.75% Exchangeable Notes at their scheduled maturity date. Due to accounting requirements, which required us to record interest expense on this debt at a similar rate as could have been obtained for non-convertible debt, this debt had an effective interest rate of 5.62%.

In August 2011, we repaid \$122.5 million of senior unsecured notes, which had an effective interest rate of 5.69%, at their scheduled maturity date.

In March 2011, we repaid \$42.5 million of senior unsecured notes, which had an effective interest rate of 6.96%, at their scheduled maturity date.

In January 2010, we repaid \$99.8 million of corporate unsecured debt, which had an effective interest rate of 5.37%, at its scheduled maturity date.

Throughout 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of senior unsecured notes scheduled to mature in 2011 and 2013 for \$292.2 million. The total face value of these repurchases was \$279.9 million. We recognized a loss of \$16.3 million on the repurchases after writing off applicable issuance costs and other accounting adjustments.

On April 1, 2010, we issued \$250.0 million of senior unsecured notes that bear interest at 6.75% and mature on March 15, 2020.

In conjunction with one of our acquisitions in 2010, we assumed a \$22.4 million unsecured loan that matures in June 2020 and bears interest at an effective rate of 6.26%. This loan was originated less than one year prior to the acquisition and we concluded that the loan's fair value equaled its face value.

All but \$21.0 million of our unsecured notes bear interest at fixed rates. We utilized broker estimates in estimating the fair value of our fixed rate unsecured debt. Our unsecured notes are thinly traded and, in certain cases, the broker estimates were not based upon comparable transactions. The broker estimates took into account any recent trades within the same series of our fixed rate unsecured debt, comparisons to recent trades of other series of our fixed rate unsecured debt, trades of fixed rate unsecured debt from companies with profiles similar to ours, as well as overall economic conditions. We reviewed these broker estimates for reasonableness and accuracy, considering whether the estimates were based upon market participant assumptions within the principal and most advantageous market and whether any other observable inputs would be more accurate indicators of fair value than the broker estimates. We concluded that the broker estimates were representative of fair value. We have determined that our estimation of the fair value of our fixed rate unsecured debt was primarily based upon Level 3 inputs, as defined. The estimated trading values of our fixed rate unsecured debt, depending on the maturity and coupon rates, ranged from 102.00% to 120.00% of face value.

The indentures (and related supplemental indentures) governing our outstanding series of notes also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such covenants as of December 31, 2011.

Unsecured Lines of Credit

Our unsecured lines of credit as of December 31, 2011 are described as follows (in thousands):

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| Description | Maximum Capacity | Maturity Date | Outstanding Balance at December 31, 2011 |
|--|------------------|---------------|--|
| Unsecured Line of Credit – DRLP | \$850,000 | December 2015 | \$— |
| Unsecured Line of Credit – Consolidated Subsidiary | \$30,000 | July 2012 | \$20,293 |

The DRLP unsecured line of credit has an interest rate on borrowings of LIBOR plus 1.25%, and a maturity date of December 2015. Subject to certain conditions, the terms also include an option to increase the facility by up to an additional \$400.0 million, for a total of up to \$1.25 billion.

This line of credit provides us with an option to obtain borrowings from financial institutions that participate in the line at rates that may be lower than the stated interest rate, subject to certain restrictions.

This line of credit contains financial covenants that require us to meet certain financial ratios and defined levels of performance, including those related to total fixed charge coverage, unsecured interest expense coverage and debt-to-asset value (with asset value being defined in the DRLP unsecured line of credit agreement). As of December 31, 2011, we were in compliance with all covenants under this line of credit.

The consolidated subsidiary's unsecured line of credit allows for borrowings up to \$30.0 million at a rate of LIBOR plus 0.85% (equal to 1.14% for outstanding borrowings as of December 31, 2011). This unsecured line of credit is used to fund development activities within the consolidated subsidiary and matures in July 2012.

To the extent that there are outstanding borrowings, we utilize a discounted cash flow methodology in order to estimate the fair value of our unsecured lines of credit. The net present value of the difference between future contractual interest payments and future interest payments based on our estimate of a current market rate represents the difference between the book value and the fair value. Our estimate of a current market rate is based upon the rate, considering current market conditions and our specific credit profile, at which we estimate we could obtain similar borrowings. The current market rate of 1.55% that we utilized was internally estimated; therefore, we have concluded that our determination of fair value for our unsecured lines of credit was primarily based upon Level 3 inputs.

Changes in Fair Value

As all of our fair value debt disclosures relied primarily on Level 3 inputs, the following table summarizes the book value and changes in the fair value of our debt for the year ended December 31, 2011 (in thousands):

| | Book Value at December 31, 2010 | Book Value at December 31, 2011 | Fair Value at December 31, 2010 | Total Realized Losses/(Gains) | Issuances and Assumptions | Payoffs | Adjustments to Fair Value | Fair Value at December 31, 2011 |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|---------------------------|-------------|---------------------------|---------------------------------|
| Fixed rate secured debt | \$ 1,042,722 | \$ 1,167,188 | \$ 1,069,562 | \$ — | \$ 178,507 | \$(53,154) | \$ 61,416 | \$ 1,256,331 |
| Variable rate secured debt | 22,906 | 6,045 | 22,906 | — | — | (16,861) | — | 6,045 |
| Unsecured notes | 2,948,405 | 2,616,063 | 3,164,651 | — | — | (334,432) | 4,391 | 2,834,610 |
| Unsecured lines of credit | 193,046 | 20,293 | 193,224 | — | 2,248 | (175,000) | (228) | 20,244 |
| Total | \$ 4,207,079 | \$ 3,809,589 | \$ 4,450,343 | \$ — | \$ 180,755 | \$(579,447) | \$ 65,579 | \$ 4,117,230 |

Scheduled Maturities and Interest Paid

At December 31, 2011, the scheduled amortization and maturities of all indebtedness, excluding fair value and other accounting adjustments, for the next five years and thereafter were as follows (in thousands):

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| Year | Amount |
|------------|-------------|
| 2012 | \$353,935 |
| 2013 | 538,374 |
| 2014 | 298,490 |
| 2015 | 372,396 |
| 2016 | 518,691 |
| Thereafter | 1,723,784 |
| | \$3,805,670 |

The amount of interest paid in 2011, 2010 and 2009 was \$261.2 million, \$246.5 million and \$224.0 million, respectively. The amount of interest capitalized in 2011, 2010 and 2009 was \$4.3 million, \$11.5 million and \$26.9 million, respectively.

(9) Segment Reporting

We have three reportable operating segments, the first two of which consist of the ownership and rental of (i) office and (ii) industrial real estate investments. The operations of our office and industrial properties, along with our medical office and retail properties, are collectively referred to as “Rental Operations.” Our medical office and retail properties do not by themselves meet the quantitative thresholds for separate presentation as reportable segments. The third reportable segment consists of providing various real estate services such as property management, asset management, maintenance, leasing, development and construction management to third-party property owners and joint ventures, as well as our Build-for-Sale operations (defined below), and is collectively referred to as “Service Operations.” Our reportable segments offer different products or services and are managed separately because each segment requires different operating strategies and management expertise.

Gains on sale of properties developed or acquired with the intent to sell (“Build-for-Sale” properties), and whose operations prior to sale are insignificant, are classified as part of the income of the Service Operations business segment. The periods of operation for Build-for-Sale properties prior to sale were of short duration. Build-for-Sale properties, which are no longer part of our operating strategy, did not represent a significant component of our operations in any period presented.

Other revenue consists of other operating revenues not identified with one of our operating segments. Interest expense and other non-property specific revenues and expenses are not allocated to individual segments in determining our performance measure.

We assess and measure our overall operating results based upon an industry performance measure referred to as Funds From Operations (“FFO”), which management believes is a useful indicator of our consolidated operating performance. FFO is used by industry analysts and investors as a supplemental operating performance measure of a REIT. The National Association of Real Estate Investment Trusts (“NAREIT”) created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income determined in accordance with GAAP. FFO is a non-GAAP financial measure. The most comparable GAAP measure is net income (loss) attributable to common shareholders. FFO attributable to common shareholders should not be considered as a substitute for net income (loss) attributable to common shareholders or any other measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. FFO is calculated in accordance with the definition that was adopted by the Board of Governors of NAREIT, which was clarified during the fourth quarter of 2011 to exclude impairment charges related to depreciable real estate assets and certain investments in joint ventures. As a result of this clarification, we have revised our calculation of FFO for 2009 to exclude \$134.1 million of such impairment charges. We do not allocate certain income and expenses (“Non-Segment Items”, as shown in the table below) to our

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operating segments. Thus, the operational performance measure presented here on a segment-level basis represents net earnings, excluding depreciation expense and the Non-Segment Items not allocated, and is not meant to present FFO as defined by NAREIT.

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. FFO, as defined by NAREIT, represents GAAP net income (loss), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures.

Management believes that the use of FFO attributable to common shareholders, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that excluding gains or losses related to sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets and real estate asset depreciation and amortization enables investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assist them in comparing these operating results between periods or between different companies.

The following table shows (i) the revenues for each of the reportable segments and (ii) a reconciliation of FFO attributable to common shareholders to net income (loss) attributable to common shareholders for the years ended December 31, 2011, 2010 and 2009 (in thousands):

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| | 2011 | 2010 | 2009 |
|---|-------------|-------------|-------------|
| Revenues | | | |
| Rental Operations: | | | |
| Office | \$271,137 | \$312,036 | \$321,506 |
| Industrial | 388,828 | 289,946 | 249,555 |
| Non-reportable Rental Operations segments | 80,969 | 65,719 | 51,017 |
| General contractor and service fee revenue ("Service Operations") | 521,796 | 515,361 | 449,509 |
| Total Segment Revenues | 1,262,730 | 1,183,062 | 1,071,587 |
| Other Revenue | 11,544 | 11,094 | 12,377 |
| Consolidated Revenue from continuing operations | 1,274,274 | 1,194,156 | 1,083,964 |
| Discontinued Operations | 184,571 | 238,772 | 264,240 |
| Consolidated Revenue | \$1,458,845 | \$1,432,928 | \$1,348,204 |
| Reconciliation of Funds From Operations | | | |
| Net earnings excluding depreciation and Non-Segment Items | | | |
| Office | \$159,529 | \$184,915 | \$192,561 |
| Industrial | 283,850 | 215,751 | 188,277 |
| Non-reportable Rental Operations segments | 52,071 | 42,931 | 33,430 |
| Service Operations | 41,316 | 28,496 | 21,843 |
| | 536,766 | 472,093 | 436,111 |
| Non-Segment Items: | | | |
| Interest expense | (223,053) | (189,094) | (151,605) |
| Impairment charges on non-depreciable properties | (12,931) | (9,834) | (168,511) |
| Interest and other income | 658 | 534 | 1,229 |
| Other operating expenses | (1,237) | (1,231) | (1,017) |
| General and administrative expenses | (43,107) | (41,329) | (47,937) |
| Gain on land sales | — | — | 357 |
| Undeveloped land carrying costs | (8,934) | (9,203) | (10,403) |
| Gain (loss) on debt transactions | — | (16,349) | 20,700 |
| Acquisition-related activity | (1,188) | 55,820 | (1,062) |
| Income tax benefit | 194 | 1,126 | 6,070 |
| Other non-segment income | 6,131 | 8,132 | 5,905 |
| Net (income) loss attributable to noncontrolling interests | (744) | 536 | 11,340 |
| Noncontrolling interest share of FFO adjustments | (6,644) | (7,771) | (15,826) |
| Joint venture items | 38,161 | 40,346 | 46,862 |
| Dividends on preferred shares | (60,353) | (69,468) | (73,451) |
| Adjustments for redemption/repurchase of preferred shares | (3,796) | (10,438) | — |
| Discontinued operations | 54,693 | 74,085 | 83,835 |
| FFO attributable to common shareholders | 274,616 | 297,955 | 142,597 |
| Depreciation and amortization on continuing operations | (330,450) | (279,606) | (245,456) |
| Depreciation and amortization on discontinued operations | (55,229) | (80,578) | (94,670) |
| Company's share of joint venture adjustments | (33,687) | (34,674) | (36,966) |
| Impairment charges on depreciable properties | — | — | (134,055) |
| Earnings from depreciated property sales on continuing operations | 68,549 | 39,662 | 12,337 |
| Earnings from depreciated property sales on discontinued operations | 100,882 | 33,054 | 6,786 |
| Earnings from depreciated property sales - share of joint venture | 91 | 2,308 | — |
| Noncontrolling interest share of FFO adjustments | 6,644 | 7,771 | 15,826 |

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| | | | |
|---|----------|-------------|--------------|
| Net income (loss) attributable to common shareholders | \$31,416 | \$(14,108) | \$(333,601) |
|---|----------|-------------|--------------|

The assets for each of the reportable segments as of December 31, 2011 and 2010 are as follows (in thousands):

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| | December 31, 2011 | December 31, 2010 |
|---|----------------------|----------------------|
| Assets | | |
| Rental Operations: | | |
| Office | \$1,742,196 | \$3,122,565 |
| Industrial | 3,586,250 | 3,210,566 |
| Non-reportable Rental Operations segments | 789,233 | 627,491 |
| Service Operations | 167,382 | 231,662 |
| Total Segment Assets | 6,285,061 | 7,192,284 |
| Non-Segment Assets | 719,376 | 451,992 |
| Consolidated Assets | \$7,004,437 | \$7,644,276 |

Tenant improvements and leasing costs to re-let rental space that had been previously under lease to tenants are referred to as second generation expenditures. Building improvements that are not specific to any tenant but serve to improve integral components of our real estate properties are also second generation expenditures. In addition to revenues and FFO, we also review our second generation capital expenditures in measuring the performance of our individual Rental Operations segments. We review these expenditures to determine the costs associated with re-leasing vacant space and maintaining the condition of our properties. Our second generation capital expenditures by segment are summarized as follows for the years ended December 31, 2011, 2010 and 2009 (in thousands):

| | 2011 | 2010 | 2009 |
|---|----------|----------|----------|
| Second Generation Capital Expenditures | | | |
| Office | \$63,933 | \$65,203 | \$64,281 |
| Industrial | 34,872 | 23,271 | 13,845 |
| Non-reportable Rental Operations segments | 459 | 249 | 928 |
| Total | \$99,264 | \$88,723 | \$79,054 |

(10)Leasing Activity

Future minimum rents due to us under non-cancelable operating leases at December 31, 2011 are as follows (in thousands):

| Year | Amount |
|------------|-------------|
| 2012 | \$605,615 |
| 2013 | 568,550 |
| 2014 | 490,939 |
| 2015 | 421,655 |
| 2016 | 353,900 |
| Thereafter | 1,116,410 |
| | \$3,557,069 |

In addition to minimum rents, certain leases require reimbursements of specified operating expenses that amounted to \$190.8 million, \$190.0 million and \$191.0 million for the years ended December 31, 2011, 2010 and 2009, respectively.

(11)Employee Benefit Plans

We maintain a 401(k) plan for full-time employees. We had historically made matching contributions up to an amount equal to three percent of the employee's salary and may also make annual discretionary contributions. We temporarily suspended the Company's matching program beginning in July 2009; however, it was reinstated in January 2011 with matching contributions up to an amount equal to two percent of the employee's salary. Also, a discretionary contribution was made at the end of 2011 and 2010. The total expense recognized for this plan was \$2.5 million, \$1.3

million and \$1.6 million for the years ended December 31, 2011, 2010 and 2009, respectively.

We make contributions to a contributory health and welfare plan as necessary to fund claims not covered by employee contributions. The total expense we recognized related to this plan was \$9.5 million, \$10.4 million and \$11.2 million for 2011, 2010 and 2009, respectively. These expense amounts include estimates based upon the historical experience of claims incurred but not reported as of year-end.

(12) Shareholders' Equity

We periodically use the public equity markets to fund the development and acquisition of additional rental properties or to pay down debt. The proceeds of these offerings are contributed to DRLP in exchange for an additional interest in DRLP.

In July 2011, we redeemed all of the outstanding shares of our 7.250% Series N Cumulative Redeemable Preferred Shares at a liquidation amount of \$108.6 million. Offering costs of \$3.6 million were included as a reduction to net income attributable to common shareholders in conjunction with the redemption of these shares.

In February 2011, we repurchased 80,000 shares of our 8.375% Series O Cumulative Redeemable Preferred Shares ("Series O Shares"). The Series O Shares that we repurchased had a total redemption value of \$2.0 million and were repurchased for \$2.1 million. An adjustment of approximately \$163,000, which included a ratable portion of original issuance costs, was included as a reduction to net income attributable to common shareholders.

In conjunction with the acquisition of the Premier Portfolio (Note 3), we issued 2.1 million Units with a fair value at issuance of \$28.4 million, which are included in noncontrolling interests.

In June 2010, we issued 26.5 million shares of common stock for net proceeds of approximately \$298.1 million. The proceeds from this offering were used for acquisitions, general corporate purposes and repurchases of preferred shares and fixed rate unsecured debt.

Throughout 2010, pursuant to the share repurchase plan approved by our board of directors, we repurchased 4.5 million shares of our Series O Shares. The preferred shares that we repurchased had a total face value of approximately \$112.1 million, and were repurchased for \$118.8 million. An adjustment of approximately \$10.4 million, which included a ratable portion of issuance costs, increased the net loss attributable to common shareholders. All shares repurchased were retired prior to December 31, 2010.

In April 2009, we issued 75.2 million shares of common stock for net proceeds of \$551.4 million. The proceeds from the issuance were used to repay outstanding borrowings under the DRLP unsecured line of credit and for other general corporate purposes.

The following series of preferred shares were outstanding as of December 31, 2011 (in thousands, except percentage data):

| Description | Shares Outstanding | Dividend Rate | Optional Redemption Date | Liquidation Preference |
|--------------------|-----------------------|------------------|--------------------------------|---------------------------|
| Series J Preferred | 396 | 6.625 | % August 29, 2008 | \$99,058 |
| Series K Preferred | 598 | 6.500 | % February 13, 2009 | \$149,550 |
| Series L Preferred | 796 | 6.600 | % November 30, 2009 | \$199,075 |
| Series M Preferred | 673 | 6.950 | % January 31, 2011 | \$168,272 |
| Series O Preferred | 712 | 8.375 | % February 22, 2013 | \$177,955 |

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All series of preferred shares require cumulative distributions and have no stated maturity date (although we may redeem all such preferred shares on or following their optional redemption dates at our option, in whole or in part).

(13) Stock Based Compensation

We are authorized to issue up to 11.9 million shares of our common stock under our stock based employee and non-employee compensation plans.

Fixed Stock Option Plans

On June 7, 2010, we completed a one-time stock option exchange program, which was approved by our shareholders at our annual meeting, to allow the majority of our employees to surrender for cancellation their outstanding stock options in exchange for a lesser number of restricted stock units ("RSUs") based on both the fair value of the options and the RSUs at the time of the exchange. As a result of the program, 4.4 million options were surrendered and cancelled and 1.2 million RSUs were granted.

The total compensation cost for the new RSUs, which is equal to the unamortized compensation expense associated with the related eligible unvested options surrendered, will be recognized over the applicable vesting period of the new RSUs. As the fair value of the RSUs granted was less than the fair value of the eligible options surrendered in exchange for the RSUs, each measured on June 7, 2010, there was no incremental expense recognized through the exchange program. The most significant assumption used in estimating the fair value of the surrendered options was the assumption for expected volatility, which was 70%. The volatility assumption was made based on both historical experience and our best estimate of future volatility. The assumption for dividend yield was 5% while the assumptions for expected term and risk-free rate varied based upon the remaining contractual lives of the surrendered options. Compensation expense recognized for fixed stock option plans was insignificant during the year ended December 31, 2011 and was \$820,000 and \$2.6 million, respectively, for the years ended December 31, 2010 and December 31, 2009.

Restricted Stock Units

Under our 2005 Long-Term Incentive Plan and our 2005 Non-Employee Directors Compensation Plan (collectively, the "Compensation Plans") approved by our shareholders in April 2005, RSUs may be granted to non-employee directors, executive officers and selected management employees. An RSU is economically equivalent to a share of our common stock.

RSUs granted to employees generally vest 20% per year over five years, have contractual lives of five years and are payable in shares of our common stock with a new share of such common stock issued upon each RSU's vesting. RSUs granted to existing non-employee directors vest 100% over one year, and have contractual lives of one year. RSUs granted on June 7, 2010 in exchange for stock options will vest, depending on the original terms of the surrendered options, over either one or two years.

To the extent that a recipient of an RSU grant is not determined to be retirement eligible, as defined by the Compensation Plans, we recognize expense on a straight-over basis over their vesting periods. Expense is recognized immediately at the date of grant to the extent a recipient is retirement eligible and expense is accelerated to the extent that a participant will become retirement eligible prior to the end of the contractual life of granted RSUs.

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes transactions for our RSUs, excluding dividend equivalents, for 2011:

| Restricted Stock Units | Number of RSUs | Weighted Average Grant Date Fair Value |
|---|-------------------|---|
| RSUs at December 31, 2010 | 3,378,839 | \$11.15 |
| Granted | 867,030 | \$13.66 |
| Vested | (577,344) |) \$12.11 |
| Forfeited | (165,125) |) \$11.51 |
| RSUs at December 31, 2011 | 3,503,400 | \$11.59 |
| Compensation cost recognized for RSUs totaled \$11.2 million, \$9.0 million and \$7.3 million for the years ended December 31, 2011, 2010 and 2009, respectively. | | |

As of December 31, 2011, there was \$14.5 million of total unrecognized compensation expense related to nonvested RSUs granted under the Plan, which is expected to be recognized over a weighted average period of 3.2 years.

(14) Financial Instruments

We are exposed to capital market risk, such as changes in interest rates. In an effort to manage interest rate risk, we may enter into interest rate hedging arrangements from time to time. We do not utilize derivative financial instruments for trading or speculative purposes.

The effectiveness of our hedges is evaluated throughout their lives using the hypothetical derivative method under which the change in fair value of the actual swap designated as the hedging instrument is compared to the change in fair value of a hypothetical swap. We had no material interest rate derivatives, when considering both fair value and notional amount, in any period presented.

(15) Commitments and Contingencies

We have guaranteed the repayment of \$81.4 million of economic development bonds issued by various municipalities in connection with certain commercial developments. We will be required to make payments under our guarantees to the extent that incremental taxes from specified developments are not sufficient to pay the bond debt service. Management does not believe that it is probable that we will be required to make any significant payments in satisfaction of these guarantees.

We also have guaranteed the repayment of secured and unsecured loans of six of our unconsolidated subsidiaries. At December 31, 2011, the maximum guarantee exposure for these loans was approximately \$234.1 million. Included in our total guarantee exposure is a joint and several guarantee of the construction loan agreement of the 3630 Peachtree joint venture, which had a carrying amount on the balance sheet of \$17.7 million at December 31, 2011.

We lease certain land positions with terms extending to December 2080, with a total obligation of \$106.3 million. No payments on these ground leases, which are classified as operating leases, are material in any individual year.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect our consolidated financial statements or results of operations.

DUKE REALTY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(16) Subsequent Events

Declaration of Dividends

Our board of directors declared the following dividends at its regularly scheduled board meeting held on January 25, 2012:

| Class | Quarterly Amount/Share | Record Date | Payment Date |
|-----------------------------------|------------------------|-------------------|-------------------|
| Common | \$0.170000 | February 15, 2012 | February 29, 2012 |
| Preferred (per depositary share): | | | |
| Series J | \$0.414063 | February 15, 2012 | February 29, 2012 |
| Series K | \$0.406250 | February 15, 2012 | February 29, 2012 |
| Series L | \$0.412500 | February 15, 2012 | February 29, 2012 |
| Series M | \$0.434375 | March 21, 2012 | April 2, 2012 |
| Series O | \$0.523438 | March 21, 2012 | April 2, 2012 |

On February 2, 2012, we called all of our outstanding 6.95% Series M Cumulative Redeemable Preferred Shares (the "Series M Preferred Shares") for redemption. The redemption date is March 5, 2012 and we will pay cash of \$168.3 million, plus accrued dividends, to the holders of the Series M Preferred Shares.

Duke Realty Corporation

Real Estate and Accumulated Depreciation

December 31, 2011

(in thousands)

Schedule III

| | | | | Initial Cost | | Cost Capitalized Subsequent to Acquisition | | Gross Book Value December 31, 2011 | | | | | |
|--------------------------|-----------------------------|----------------|------------|--------------|-----------|--|----------------|------------------------------------|------------------|------------------|---------------|--|------|
| Development | Name | Building Type | Encumbered | Land | Buildings | Development | Land/Buildings | Total (1) | Accum. Depr. (2) | Year Constructed | Year Acquired | | |
| Arlington, Texas | | | | | | | | | | | | | |
| Baylor Ortho Hospital | Baylor Ortho Hosp-Arlington | Medical Office | 16,046 | 584 | 9,623 | 11,863 | 1,816 | 20,254 | 22,070 | 1,630 | 2009 | | 2009 |
| Atlanta, Georgia | | | | | | | | | | | | | |
| Druid Chase | 1190 West Druid Hills Drive | Office | — | 689 | 6,281 | (499) | 689 | 5,782 | 6,471 | 2,762 | 1980 | | 1999 |
| Aurora, Illinois | | | | | | | | | | | | | |
| Meridian Business Campus | 535 Exchange | Industrial | — | 386 | 920 | 269 | 386 | 1,189 | 1,575 | 512 | 1984 | | 1999 |
| Meridian Business Campus | 525 North Enterprise Street | Industrial | — | 342 | 1,678 | 110 | 342 | 1,788 | 2,130 | 716 | 1984 | | 1999 |
| Meridian Business Campus | 615 North Enterprise Street | Industrial | — | 468 | 2,408 | 741 | 468 | 3,149 | 3,617 | 1,210 | 1984 | | 1999 |
| Meridian Business | 3737 East Exchange | Industrial | — | 598 | 2,543 | 504 | 598 | 3,047 | 3,645 | 1,142 | 1985 | | 1999 |

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| | | | | | | | | | | | | |
|---|--------------------------------|----------------|--------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Campus Meridian Business Campus | 444 North Commerce Street | Industrial | — | 722 | 5,019 | 597 | 722 | 5,616 | 6,338 | 2,090 | 1985 | 1999 |
| Campus Meridian Business Campus | 880 North Enterprise Street | Industrial | 3,840 | 1,150 | 5,646 | 882 | 1,150 | 6,528 | 7,678 | 2,466 | 2000 | 2000 |
| Campus Meridian Business Campus | Meridian Office Service Center | Industrial | — | 567 | 1,083 | 1,688 | 567 | 2,771 | 3,338 | 1,161 | 2001 | 2001 |
| Campus Meridian Business Campus | Genera Corporation | Industrial | 3,112 | 1,957 | 3,827 | — | 1,957 | 3,827 | 5,784 | 1,321 | 2004 | 2004 |
| Butterfield East | Butterfield 550 | Industrial | 12,105 | 9,185 | 10,795 | 1,573 | 9,185 | 12,368 | 21,553 | 1,945 | 2008 | 2008 |
| Baltimore, Maryland Chesapeake Commerce Center | 5901 Holabird Ave | Industrial | — | 3,345 | 4,220 | 3,307 | 3,345 | 7,527 | 10,872 | 2,039 | 2008 | 2008 |
| Baltimore, Maryland Chesapeake Commerce Center | 5003 Holabird Ave | Industrial | — | 6,488 | 9,162 | 1,873 | 6,488 | 11,035 | 17,523 | 1,947 | 2008 | 2008 |
| Batavia, Ohio Mercy Hospital Clermont MOB | Mercy Hospital Clermont MOB | Medical Office | — | — | 7,461 | 1,509 | — | 8,970 | 8,970 | 1,606 | 2006 | 2007 |
| Baytown, Texas Cedar Crossing Business Park | Cedar Crossing | Industrial | 10,969 | 9,323 | 5,934 | — | 9,323 | 5,934 | 15,257 | 1,646 | 2005 | 2007 |
| Bloomington, Minnesota Hampshire Dist. Center | Hampshire Dist Center North | Industrial | — | 779 | 4,482 | 777 | 779 | 5,259 | 6,038 | 1,904 | 1979 | 1997 |
| Bloomington, Minnesota Hampshire Dist. Center | Hampshire Dist Center South | Industrial | — | 901 | 5,010 | 481 | 901 | 5,491 | 6,392 | 2,009 | 1979 | 1997 |
| Blue Ash, Ohio Lake Forest/Westlake | Lake Forest Place | Office | — | 1,953 | 18,381 | 5,945 | 1,953 | 24,326 | 26,279 | 9,676 | 1985 | 1996 |
| Blue Ash, Ohio Northmark Office Park | Northmark Bldg 1 | Office | — | 1,452 | 2,593 | 1,284 | 1,452 | 3,877 | 5,329 | 1,143 | 1987 | 2004 |
| Blue Ash, Ohio Lake Forest/Westlake | Westlake Center | Office | — | 2,459 | 14,280 | 5,058 | 2,459 | 19,338 | 21,797 | 7,955 | 1981 | 1996 |
| Bolingbrook, Illinois Joliet Road Business Park | 555 Joliet Road | Industrial | 6,210 | 2,184 | 9,263 | 839 | 2,332 | 9,954 | 12,286 | 2,777 | 2002 | 2002 |

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|-----------------------------------|-------------------------------|------------|--------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Joliet Road Business Park | Dawes Transportation | Industrial | — | 3,050 | 4,453 | 16 | 3,050 | 4,469 | 7,519 | 1,649 | 2005 | 2005 |
| Crossroads Business Park | Chapco Carton Company | Industrial | 2,706 | 917 | 4,527 | 91 | 917 | 4,618 | 5,535 | 1,169 | 1999 | 2002 |
| Crossroads Business Park | Crossroads 1 | Industrial | — | 1,418 | 5,801 | 7 | 1,418 | 5,808 | 7,226 | 334 | 1998 | 2010 |
| Crossroads Business Park | Crossroads 3 | Industrial | — | 1,330 | 4,497 | — | 1,330 | 4,497 | 5,827 | 275 | 2000 | 2010 |
| Crossroads Business Park | 370 Crossroads Parkway | Industrial | — | 2,409 | 5,324 | — | 2,409 | 5,324 | 7,733 | 87 | 1989 | 2011 |
| Crossroads Business Park | 605 Crossroads Parkway | Industrial | — | 3,656 | 8,856 | — | 3,656 | 8,856 | 12,512 | 197 | 1998 | 2011 |
| Boynton Beach, Florida | | | | | | | | | | | | |
| Duke Realty Gateway | Gateway Center 1 | Industrial | 7,324 | 4,271 | 6,153 | — | 4,271 | 6,153 | 10,424 | 322 | 2002 | 2010 |
| Duke Realty Gateway | Gateway Center 2 | Industrial | 4,579 | 2,006 | 5,030 | — | 2,006 | 5,030 | 7,036 | 243 | 2002 | 2010 |
| Duke Realty Gateway | Gateway Center 3 | Industrial | 3,838 | 2,381 | 3,371 | — | 2,381 | 3,371 | 5,752 | 196 | 2002 | 2010 |
| Duke Realty Gateway | Gateway Center 4 | Industrial | 3,439 | 1,800 | 2,815 | — | 1,800 | 2,815 | 4,615 | 183 | 2000 | 2010 |
| Duke Realty Gateway | Gateway Center 5 | Industrial | 2,042 | 1,238 | 2,058 | — | 1,238 | 2,058 | 3,296 | 115 | 2000 | 2010 |
| Duke Realty Gateway | Gateway Center 6 | Industrial | 2,018 | 1,238 | 1,940 | — | 1,238 | 1,940 | 3,178 | 81 | 2000 | 2010 |
| Duke Realty Gateway | Gateway Center 7 | Industrial | 3,639 | 1,800 | 2,925 | — | 1,800 | 2,925 | 4,725 | 172 | 2000 | 2010 |
| Duke Realty Gateway | Gateway Center 8 | Industrial | 10,105 | 4,781 | 10,352 | — | 4,781 | 10,352 | 15,133 | 411 | 2004 | 2010 |
| Braselton, Georgia | | | | | | | | | | | | |
| Braselton Business Park | Braselton II | Industrial | — | 1,365 | 8,720 | 1,868 | 1,884 | 10,069 | 11,953 | 3,256 | 2001 | 2001 |
| Park 85 at Braselton | 625 Braselton Pkwy | Industrial | 15,357 | 9,855 | 21,466 | 1,671 | 9,855 | 23,137 | 32,992 | 5,561 | 2006 | 2005 |
| Park 85 at Braselton | 1350 Braselton Parkway | Industrial | — | 8,227 | 8,874 | 5,175 | 8,227 | 14,049 | 22,276 | 2,827 | 2008 | 2008 |
| Brentwood, Tennessee | | | | | | | | | | | | |
| Brentwood South Bus. Center | Brentwood South Bus Ctr I | Industrial | — | 1,065 | 5,262 | 1,264 | 1,065 | 6,526 | 7,591 | 2,207 | 1987 | 1999 |
| Brentwood South Bus. Center | Brentwood South Bus Ctr II | Industrial | — | 1,065 | 2,665 | 1,501 | 1,065 | 4,166 | 5,231 | 1,424 | 1987 | 1999 |
| Brentwood South Bus. | Brentwood South Bus Ctr | Industrial | — | 848 | 3,604 | 818 | 848 | 4,422 | 5,270 | 1,452 | 1989 | 1999 |

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|---------------------------------|------------------------------------|-------------------|-------|-------|-------|-------|-------|--------|--------|-------|------|------|
| Center Creekside Crossing | III Creekside Crossing I | Office | — | 1,900 | 7,169 | 1,613 | 1,901 | 8,781 | 10,682 | 3,608 | 1998 | 1998 |
| Creekside Crossing | Creekside Crossing II | Office | — | 2,087 | 6,950 | 1,731 | 2,087 | 8,681 | 10,768 | 3,346 | 2000 | 2000 |
| Creekside Crossing | Creekside Crossing III | Office | — | 2,969 | 9,055 | 2,451 | 2,969 | 11,506 | 14,475 | 3,741 | 2006 | 2006 |
| Creekside Crossing | Creekside Crossing IV | Office | — | 2,966 | 7,775 | 4,834 | 2,877 | 12,698 | 15,575 | 3,183 | 2007 | 2007 |
| Bridgeton, Missouri | | | | | | | | | | | | |
| Dukeport | DukePort I | Industrial | — | 2,124 | 5,374 | — | 2,124 | 5,374 | 7,498 | 355 | 1996 | 2010 |
| Dukeport | DukePort II | Industrial | — | 1,470 | 2,922 | — | 1,470 | 2,922 | 4,392 | 214 | 1997 | 2010 |
| Dukeport | DukePort V | Industrial | — | 600 | 3,004 | — | 600 | 3,004 | 3,604 | 234 | 1998 | 2010 |
| Dukeport | DukePort VI | Industrial | — | 1,664 | 6,159 | — | 1,664 | 6,159 | 7,823 | 357 | 1999 | 2010 |
| Dukeport | DukePort VII | Industrial | — | 834 | 4,102 | — | 834 | 4,102 | 4,936 | 283 | 1999 | 2010 |
| Dukeport | DukePort IX | Industrial | — | 2,475 | 5,740 | — | 2,475 | 5,740 | 8,215 | 352 | 2001 | 2010 |
| Brooklyn Park, Minnesota | | | | | | | | | | | | |
| 7300 Northland Drive | 7300 Northland Drive | Industrial | — | 700 | 5,655 | 315 | 703 | 5,967 | 6,670 | 2,059 | 1999 | 1998 |
| Crosstown North Bus. Ctr. | Crosstown North Bus. Ctr. 1 | Industrial | 3,495 | 835 | 4,852 | 1,378 | 1,286 | 5,779 | 7,065 | 2,061 | 1998 | 1999 |
| Crosstown North Bus. Ctr. | Crosstown North Bus. Ctr. 2 | Industrial | — | 449 | 2,459 | 808 | 599 | 3,117 | 3,716 | 1,062 | 1998 | 1999 |
| Crosstown North Bus. Ctr. | Crosstown North Bus. Ctr. 4 | Industrial | 4,965 | 2,079 | 5,830 | 1,700 | 2,397 | 7,212 | 9,609 | 2,409 | 1999 | 1999 |
| Crosstown North Bus. Ctr. | Crosstown North Bus. Ctr. 5 | Industrial | 2,980 | 1,079 | 4,278 | 724 | 1,354 | 4,727 | 6,081 | 1,712 | 2000 | 2000 |
| Crosstown North Bus. Ctr. | Crosstown North Bus. Ctr. 6 | Industrial | — | 788 | 1,402 | 2,334 | 1,031 | 3,493 | 4,524 | 1,123 | 2000 | 2000 |
| Crosstown North Bus. Ctr. | Crosstown North Bus. Ctr. 10 | Industrial | 4,109 | 2,757 | 4,423 | 1,078 | 2,723 | 5,535 | 8,258 | 2,294 | 2005 | 2005 |
| Crosstown North Bus. Ctr. | Crosstown North Bus. Ctr. 12 | Industrial | 6,835 | 4,564 | 8,254 | 668 | 4,564 | 8,922 | 13,486 | 2,286 | 2005 | 2005 |
| Brownsburg, Indiana | | | | | | | | | | | | |
| Ortho Indy West-MOB | Ortho Indy West-MOB | Medical Office | — | — | 9,817 | 1,579 | 865 | 10,531 | 11,396 | 921 | 2008 | 2008 |
| Carmel, Indiana | | | | | | | | | | | | |

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|----------------------------|------------------------------|----------------|-------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Hamilton Crossing | Hamilton Crossing I | Industrial | — | 833 | 2,706 | 3,098 | 845 | 5,792 | 6,637 | 2,552 | 2000 | 1993 |
| Hamilton Crossing | Hamilton Crossing II | Office | — | 313 | 510 | 1,702 | 384 | 2,141 | 2,525 | 812 | 1997 | 1997 |
| Hamilton Crossing | Hamilton Crossing III | Office | — | 890 | 7,341 | 2,448 | 890 | 9,789 | 10,679 | 3,333 | 2000 | 2000 |
| Hamilton Crossing | Hamilton Crossing IV | Office | — | 515 | 4,978 | 728 | 598 | 5,623 | 6,221 | 2,053 | 1999 | 1999 |
| Hamilton Crossing | Hamilton Crossing VI | Office | — | 1,044 | 12,778 | 1,314 | 1,068 | 14,068 | 15,136 | 3,883 | 2004 | 2004 |
| Carol Stream, Illinois | | | | | | | | | | | | |
| Carol Stream Business Park | Carol Stream IV | Industrial | 9,900 | 3,204 | 14,869 | 1,289 | 3,204 | 16,158 | 19,362 | 5,035 | 2004 | 2003 |
| Carol Stream Business Park | Carol Stream I | Industrial | — | 1,095 | 3,438 | — | 1,095 | 3,438 | 4,533 | 266 | 1998 | 2010 |
| Carol Stream Business Park | Carol Stream III | Industrial | — | 1,556 | 6,331 | — | 1,556 | 6,331 | 7,887 | 362 | 2002 | 2010 |
| Carol Stream Business Park | 250 Kehoe Blvd, Carol Stream | Industrial | — | 1,715 | 7,616 | — | 1,715 | 7,616 | 9,331 | 93 | 2008 | 2011 |
| Carol Stream Business Park | 720 Center Avenue | Industrial | — | 4,031 | 20,735 | — | 4,031 | 20,735 | 24,766 | — | 1999 | 2011 |
| Carol Stream Business Park | 189-199 Easy Street | Industrial | — | 1,075 | 3,739 | — | 1,075 | 3,739 | 4,814 | — | 1995 | 2011 |
| Cary, North Carolina | | | | | | | | | | | | |
| Regency Forest | 200 Regency Forest Drive | Office | — | 1,230 | 12,014 | 2,728 | 1,316 | 14,656 | 15,972 | 4,593 | 1999 | 1999 |
| Regency Forest | 100 Regency Forest Drive | Office | — | 1,538 | 9,373 | 2,809 | 1,644 | 12,076 | 13,720 | 3,778 | 1997 | 1999 |
| Weston Parkway | 6501 Weston Parkway | Office | — | 1,775 | 9,608 | 1,990 | 1,775 | 11,598 | 13,373 | 3,735 | 1996 | 1999 |
| Cedar Park, Texas | | | | | | | | | | | | |
| Not Applicable | Cedar Park MOB I | Medical Office | — | 576 | 15,666 | — | 576 | 15,666 | 16,242 | — | 2007 | 2011 |
| Chantilly, Virginia | | | | | | | | | | | | |
| Northridge at Westfields | 15002 Northridge Dr. | Office | — | 2,082 | 1,663 | 1,816 | 2,082 | 3,479 | 5,561 | 708 | 2007 | 2007 |
| Northridge at Westfields | 15004 Northridge Dr. | Office | — | 2,366 | 1,920 | 1,847 | 2,366 | 3,767 | 6,133 | 580 | 2007 | 2007 |
| Northridge at Westfields | 15006 Northridge Dr. | Office | — | 2,920 | 2,276 | 2,339 | 2,920 | 4,615 | 7,535 | 925 | 2007 | 2007 |

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|--------------------------------|-----------------------------------|----------------|--------|-------|--------|-------|-------|--------|--------|--------|------|------|
| Charlotte, North Carolina | | | | | | | | | | | | |
| Morehead Medical Plaza I | Morehead Medical Plaza I | Medical Office | 33,151 | 191 | 39,047 | — | 191 | 39,047 | 39,238 | 1,798 | 2006 | 2010 |
| Chillicothe, Ohio | | | | | | | | | | | | |
| Adena Health Pavilion | Adena Health Pavilion | Medical Office | — | — | 14,428 | 96 | — | 14,524 | 14,524 | 3,797 | 2006 | 2007 |
| Cincinnati, Ohio | | | | | | | | | | | | |
| 311 Elm Blue Ash Office Center | 311 Elm Blue Ash Office Center VI | Office | — | 339 | 5,702 | 1,314 | — | 7,355 | 7,355 | 5,108 | 1986 | 1993 |
| Towers of Kenwood | Towers of Kenwood | Office | — | 518 | 2,459 | 715 | 518 | 3,174 | 3,692 | 1,233 | 1989 | 1997 |
| Governor's Hill | 8790 Governor's Hill | Office | — | 4,891 | 41,342 | 3,614 | 4,891 | 44,956 | 49,847 | 12,353 | 1989 | 2003 |
| Governor's Hill | 8600/8650 Governor's Hill Dr. | Office | — | 400 | 4,224 | 1,442 | 408 | 5,658 | 6,066 | 2,680 | 1985 | 1993 |
| Kenwood Executive Center | Kenwood Executive Center | Office | — | 1,220 | 16,873 | 6,667 | 1,245 | 23,515 | 24,760 | 11,779 | 1986 | 1993 |
| Kenwood Commons | 8230 Kenwood Commons | Office | — | 606 | 3,677 | 1,094 | 664 | 4,713 | 5,377 | 1,926 | 1981 | 1997 |
| Kenwood Commons | 8280 Kenwood Commons | Office | 2,679 | 638 | 3,877 | 1,192 | 638 | 5,069 | 5,707 | 3,216 | 1986 | 1993 |
| Kenwood Medical Office Bldg. | Kenwood Medical Office Bldg. | Office | 1,621 | 638 | 2,598 | 809 | 638 | 3,407 | 4,045 | 1,853 | 1986 | 1993 |
| Pfeiffer Place | Pfeiffer Place | Office | — | — | 7,663 | 100 | — | 7,763 | 7,763 | 2,597 | 1999 | 1999 |
| Pfeiffer Woods | Pfeiffer Woods | Office | — | 3,608 | 11,298 | 2,864 | 3,608 | 14,162 | 17,770 | 4,199 | 2001 | 2001 |
| Remington Office Park | Remington Park Building A | Office | — | 1,450 | 12,033 | 1,993 | 2,131 | 13,345 | 15,476 | 4,864 | 1998 | 1999 |
| Remington Office Park | Remington Park Building B | Office | — | 560 | 1,442 | 282 | 560 | 1,724 | 2,284 | 1,140 | 1982 | 1997 |
| Triangle Office Park | Triangle Office Park | Office | — | 560 | 1,121 | 392 | 560 | 1,513 | 2,073 | 920 | 1982 | 1997 |
| World Park | World Park Bldg 8 | Office | 1,745 | 1,018 | 10,149 | 2,327 | 1,018 | 12,476 | 13,494 | 7,853 | 1985 | 1993 |
| World Park | World Park Bldg 9 | Industrial | — | 1,095 | 2,641 | — | 1,095 | 2,641 | 3,736 | 169 | 1989 | 2010 |
| World Park | World Park Bldg 11 | Industrial | — | 335 | 1,825 | 14 | 335 | 1,839 | 2,174 | 113 | 1989 | 2010 |
| World Park | World Park Bldg 14 | Industrial | — | 674 | 2,032 | — | 674 | 2,032 | 2,706 | 122 | 1989 | 2010 |
| World Park | World Park Bldg 15 | Industrial | — | 668 | 3,617 | 57 | 668 | 3,674 | 4,342 | 198 | 1989 | 2010 |
| World Park | World Park Bldg 16 | Industrial | — | 488 | 1,991 | — | 488 | 1,991 | 2,479 | 210 | 1990 | 2010 |
| World Park | World Park Bldg 16 | Industrial | — | 525 | 2,096 | 1 | 525 | 2,097 | 2,622 | 128 | 1989 | 2010 |

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|-----------------------------|----------------------------|----------------|--------|-------|--------|-------|-------|--------|--------|--------|------|------|
| World Park | World Park Bldg 17 | Industrial | 6,879 | 1,133 | 5,668 | — | 1,133 | 5,668 | 6,801 | 363 | 1994 | 2010 |
| World Park | World Park Bldg 18 | Industrial | — | 1,268 | 5,200 | — | 1,268 | 5,200 | 6,468 | 303 | 1997 | 2010 |
| World Park | World Park Bldg 28 | Industrial | — | 870 | 5,316 | — | 870 | 5,316 | 6,186 | 303 | 1998 | 2010 |
| World Park | World Park Bldg 29 | Industrial | 12,518 | 1,605 | 10,220 | — | 1,605 | 10,220 | 11,825 | 557 | 1998 | 2010 |
| World Park | World Park Bldg 30 | Industrial | 14,681 | 2,492 | 11,964 | — | 2,492 | 11,964 | 14,456 | 723 | 1999 | 2010 |
| World Park | World Park Bldg 31 | Industrial | — | 533 | 2,531 | — | 533 | 2,531 | 3,064 | 142 | 1998 | 2010 |
| Good Samaritan W. Ridge MOB | Western Ridge | Medical Office | — | 1,894 | 8,028 | — | 1,894 | 8,028 | 9,922 | 475 | 2010 | 2010 |
| Good Samaritan W. Ridge MOB | Western Ridge MOB II | Medical Office | — | 1,020 | 3,544 | 17 | 1,020 | 3,561 | 4,581 | 59 | 2011 | 2011 |
| Clayton, Missouri | 101 South Hanley | Office | — | 6,150 | 40,580 | 5,634 | 6,150 | 46,214 | 52,364 | 13,294 | 1986 | 2002 |
| Columbus, Ohio | 4343 Easton Commons Ground | Grounds | — | 796 | — | — | 796 | — | 796 | — | n/a | 2007 |

Duke Realty Corporation
Real Estate and Accumulated Depreciation
December 31, 2011
(in thousands)

Schedule III

| | | Initial Cost | | Cost Capitalized Subsequent to Acquisition | | Gross Book Value | | Total | | Accumulated Depreciation | | Year Constructed | |
|-----------------------|----------------------|---------------|--------------|--|------------------------|------------------|------------------------|--------|--------|--------------------------|------|------------------|----------|
| Development | Name | Building Type | Encumbrances | Buildings | Land/Land Improvements | Buildings | Land/Land Improvements | (1) | (1) | Depr. (2) | (2) | Constructed | Acquired |
| Coppell, Texas | | | | | | | | | | | | | |
| Freeport North | Freeport X | Industrial | 14,902 | 8,198 | 16,900 | 3,052 | 8,198 | 19,952 | 28,150 | 8,533 | 2004 | | 2004 |
| Point West Industrial | Point West VI | Industrial | 16,522 | 10,181 | 17,905 | 5,744 | 10,181 | 23,649 | 33,830 | 4,907 | 2008 | | 2008 |
| Point West Industrial | Point West VII | Industrial | 13,648 | 6,785 | 13,668 | 6,488 | 7,201 | 19,740 | 26,941 | 4,100 | 2008 | | 2008 |
| Point West Industrial | Samsung Pkg Lot-PWT7 | Grounds | — | 306 | — | 61 | 367 | — | 367 | 96 | n/a | | 2008 |
| Corona, California | | | | | | | | | | | | | |
| Not Applicable | 1283 Sherborn Street | Industrial | — | 8,677 | 16,778 | — | 8,677 | 16,778 | 25,455 | 238 | 2005 | | 2005 |
| Dallas, Texas | | | | | | | | | | | | | |

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| | | | | | | | | | | | | |
|--------------------------------|--------------------------------|----------------|-------|-------|--------|-------|-------|--------|--------|--------|------|----|
| Baylor Administration Building | Baylor Administration Building | Medical Office | — | 50 | 14,435 | 100 | 150 | 14,435 | 14,585 | 1,324 | 2009 | 20 |
| Davenport, Florida | | | | | | | | | | | | |
| Park 27 Distribution Center | Park 27 Distribution Center I | Industrial | — | 2,449 | 6,107 | 33 | 2,449 | 6,140 | 8,589 | 2,655 | 2003 | 20 |
| Park 27 Distribution Center | Park 27 Distribution Center II | Industrial | — | 4,374 | 8,218 | 4,948 | 4,415 | 13,125 | 17,540 | 3,184 | 2007 | 20 |
| Davie, Florida | | | | | | | | | | | | |
| Westport | Westport Business Park 1 | Industrial | 1,928 | 1,200 | 1,317 | 59 | 1,200 | 1,376 | 2,576 | 70 | 1991 | 20 |
| Westport | Westport Business Park 2 | Industrial | 1,725 | 1,088 | 818 | 39 | 1,088 | 857 | 1,945 | 47 | 1991 | 20 |
| Westport | Westport Business Park 3 | Industrial | 5,660 | 2,363 | 6,568 | 81 | 2,363 | 6,649 | 9,012 | 317 | 1991 | 20 |
| Deerfield Township, Ohio | | | | | | | | | | | | |
| Deerfield Crossing | Deerfield Crossing A | Office | — | 1,493 | 10,982 | 1,884 | 1,493 | 12,866 | 14,359 | 4,330 | 1999 | 19 |
| Deerfield Crossing | Deerfield Crossing B | Office | — | 1,069 | 9,517 | 712 | 1,069 | 10,229 | 11,298 | 2,910 | 2001 | 20 |
| Governor's Pointe | Governor's Pointe 4770 | Office | — | 586 | 7,422 | 1,114 | 596 | 8,526 | 9,122 | 4,987 | 1986 | 19 |
| Governor's Pointe | Governor's Pointe 4705 | Office | — | 719 | 5,690 | 3,847 | 987 | 9,269 | 10,256 | 4,785 | 1988 | 19 |
| Governor's Pointe | Governor's Pointe 4605 | Office | — | 630 | 16,219 | 4,515 | 909 | 20,455 | 21,364 | 10,185 | 1990 | 19 |
| Governor's Pointe | Governor's Pointe 4660 | Office | — | 385 | 4,020 | 436 | 529 | 4,312 | 4,841 | 1,868 | 1997 | 19 |
| Governor's Pointe | Governor's Pointe 4680 | Office | — | 1,115 | 6,291 | 1,453 | 1,115 | 7,744 | 8,859 | 3,074 | 1998 | 19 |
| Des Plaines, Illinois | | | | | | | | | | | | |
| 2180 South Wolf Road | 2180 South Wolf Road | Industrial | — | 179 | 1,505 | 588 | 179 | 2,093 | 2,272 | 809 | 1969 | 19 |
| Duluth, Georgia | | | | | | | | | | | | |
| Business Park At Sugarloaf | 2775 Premiere Parkway | Industrial | 6,479 | 560 | 4,507 | 434 | 565 | 4,936 | 5,501 | 1,562 | 1997 | 19 |
| Business Park At Sugarloaf | 3079 Premiere Parkway | Industrial | 9,907 | 776 | 4,844 | 2,301 | 783 | 7,138 | 7,921 | 2,286 | 1998 | 19 |
| | | Industrial | 6,478 | 765 | 3,275 | 1,092 | 770 | 4,362 | 5,132 | 1,320 | 1999 | 19 |

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| | | | | | | | | | | | | | |
|----------------------------|-------------------------------|------------|--------|-------|--------|-------|-------|--------|--------|-------|------|--|----|
| Business Park At Sugarloaf | 2855 Premiere Parkway | | | | | | | | | | | | |
| Business Park At Sugarloaf | 6655 Sugarloaf | Industrial | 13,418 | 1,651 | 6,985 | 1,065 | 1,659 | 8,042 | 9,701 | 1,981 | 1998 | | 20 |
| Business Park At Sugarloaf | 6650 Sugarloaf Parkway | Office | 5,409 | 1,573 | 4,240 | 251 | 1,573 | 4,491 | 6,064 | 151 | 2004 | | 20 |
| Meadowbrook | 2450 Meadowbrook Parkway | Industrial | — | 383 | 1,622 | — | 383 | 1,622 | 2,005 | 126 | 1989 | | 20 |
| Meadowbrook | 2500 Meadowbrook Parkway | Industrial | — | 405 | 1,918 | 30 | 405 | 1,948 | 2,353 | 113 | 1987 | | 20 |
| Pinebrook | 2625 Pinemeadow Court | Industrial | — | 861 | 4,033 | — | 861 | 4,033 | 4,894 | 494 | 1994 | | 20 |
| Pinebrook | 2660 Pinemeadow Court | Industrial | — | 540 | 2,302 | — | 540 | 2,302 | 2,842 | 190 | 1996 | | 20 |
| Pinebrook | 2450 Satellite Boulevard | Industrial | — | 556 | 2,497 | — | 556 | 2,497 | 3,053 | 235 | 1994 | | 20 |
| Durham, North Carolina | | | | | | | | | | | | | |
| CenterPoint Business Park | 1805 T.W. Alexander Drive | Industrial | — | 4,110 | 11,795 | 4 | 4,110 | 11,799 | 15,909 | 334 | 2000 | | 20 |
| CenterPoint Business Park | 1757 T.W. Alexander Drive | Industrial | 9,270 | 2,998 | 9,095 | — | 2,998 | 9,095 | 12,093 | 97 | 2007 | | 20 |
| Eagan, Minnesota | | | | | | | | | | | | | |
| Apollo Industrial Center | Apollo Industrial Ctr I | Industrial | 3,537 | 866 | 4,300 | 1,805 | 882 | 6,089 | 6,971 | 2,389 | 1997 | | 19 |
| Apollo Industrial Center | Apollo Industrial Ctr II | Industrial | 1,606 | 474 | 2,332 | 259 | 474 | 2,591 | 3,065 | 767 | 2000 | | 20 |
| Apollo Industrial Center | Apollo Industrial Ctr III | Industrial | 3,788 | 1,432 | 6,107 | 25 | 1,432 | 6,132 | 7,564 | 1,850 | 2000 | | 20 |
| Silver Bell Commons | Silver Bell Commons | Industrial | — | 1,807 | 5,548 | 2,163 | 1,941 | 7,577 | 9,518 | 2,769 | 1999 | | 19 |
| Trapp Road Commerce Center | Trapp Road Commerce Center I | Industrial | 2,310 | 671 | 3,847 | 467 | 700 | 4,285 | 4,985 | 1,586 | 1996 | | 19 |
| Trapp Road Commerce Center | Trapp Road Commerce Center II | Industrial | 4,094 | 1,250 | 6,364 | 1,168 | 1,266 | 7,516 | 8,782 | 2,850 | 1998 | | 19 |
| Earth City, Missouri | | | | | | | | | | | | | |
| Earth City | Rider Trail | Office | — | 2,615 | 9,807 | 3,817 | 2,615 | 13,624 | 16,239 | 5,033 | 1987 | | 19 |
| Earth City | 3300 Pointe 70 | Office | — | 1,186 | 6,055 | 2,867 | 1,186 | 8,922 | 10,108 | 3,610 | 1989 | | 19 |
| Earth City | Corporate Center, Earth City | Industrial | — | 783 | 1,287 | 2,164 | 783 | 3,451 | 4,234 | 1,067 | 2000 | | 20 |
| Earth City | | Industrial | — | 2,850 | 6,163 | 1,795 | 2,875 | 7,933 | 10,808 | 2,193 | 2006 | | 20 |

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Corporate Trail
Distribution

East Point,
Georgia

| | | | | | | | | | | | | |
|------------|--------------------------------|------------|--------|-------|--------|--------|-------|--------|--------|-------|------|----|
| Camp Creek | Camp Creek Bldg 1400 | Office | 5,423 | 561 | 2,511 | 1,426 | 581 | 3,917 | 4,498 | 1,145 | 1988 | 20 |
| Camp Creek | Camp Creek Bldg 1800 | Office | 4,616 | 462 | 2,468 | 821 | 477 | 3,274 | 3,751 | 893 | 1989 | 20 |
| Camp Creek | Camp Creek Bldg 2000 | Office | 5,085 | 395 | 2,285 | 1,183 | 475 | 3,388 | 3,863 | 850 | 1989 | 20 |
| Camp Creek | Camp Creek Bldg 2400 | Industrial | 3,118 | 296 | 1,509 | 831 | 316 | 2,320 | 2,636 | 762 | 1988 | 20 |
| Camp Creek | Camp Creek Bldg 2600 | Industrial | 3,555 | 364 | 2,014 | 311 | 383 | 2,306 | 2,689 | 662 | 1990 | 20 |
| Camp Creek | 3201 Centre Parkway | Industrial | 20,282 | 4,406 | 9,512 | 2,896 | 5,026 | 11,788 | 16,814 | 3,339 | 2004 | 20 |
| Camp Creek | Camp Creek Building 1200 | Office | — | 1,334 | 1,250 | 1,104 | 1,351 | 2,337 | 3,688 | 1,204 | 2005 | 20 |
| Camp Creek | 3900 North Commerce | Industrial | 5,209 | 1,059 | 2,966 | 59 | 1,098 | 2,986 | 4,084 | 841 | 2005 | 20 |
| Camp Creek | 3909 North Commerce | Industrial | — | 5,687 | 10,192 | 12,583 | 9,032 | 19,430 | 28,462 | 6,854 | 2006 | 20 |
| Camp Creek | 4200 N. Commerce-Hartsfield WH | Industrial | 11,814 | 2,065 | 7,076 | 194 | 2,156 | 7,179 | 9,335 | 1,514 | 2006 | 20 |
| Camp Creek | Camp Creek Building 1000 | Office | — | 1,537 | 2,459 | 1,151 | 1,557 | 3,590 | 5,147 | 1,713 | 2006 | 20 |
| Camp Creek | 3000 Centre Parkway | Industrial | — | 1,163 | 1,884 | 1,136 | 1,191 | 2,992 | 4,183 | 1,033 | 2007 | 20 |
| Camp Creek | 1500 Centre Parkway | Office | — | 1,683 | 5,564 | 3,352 | 1,730 | 8,869 | 10,599 | 2,357 | 2008 | 20 |
| Camp Creek | 1100 Centre Parkway | Office | — | 1,309 | 4,881 | 324 | 1,342 | 5,172 | 6,514 | 823 | 2008 | 20 |
| Camp Creek | 4800 N. Commerce Dr. (Site Q) | Industrial | — | 2,476 | 4,650 | 1,524 | 2,541 | 6,109 | 8,650 | 914 | 2008 | 20 |

Elk Grove
Village, Illinois

| | | | | | | | | | | | | |
|----------------------------|-------------------------------|------------|--------|-------|--------|---|-------|--------|--------|-----|------|----|
| O'Hare Distribution Center | 1717 Busse Road, Elk Grove IL | Industrial | 14,534 | 3,602 | 19,016 | — | 3,602 | 19,016 | 22,618 | 227 | 2004 | 20 |
|----------------------------|-------------------------------|------------|--------|-------|--------|---|-------|--------|--------|-----|------|----|

Ellabell,
Georgia
Crossroads
(Savannah)

| | | | | | | | | | | | |
|-------------------|------------|--------|-------|--------|-----|-------|--------|--------|-------|------|----|
| 1086 Orafold Pkwy | Industrial | 10,150 | 2,042 | 13,104 | 190 | 2,046 | 13,290 | 15,336 | 2,072 | 2006 | 20 |
|-------------------|------------|--------|-------|--------|-----|-------|--------|--------|-------|------|----|

Evansville,
Indiana

| | | | | | | | | | | | | |
|----------------------------|----------------------------|----------------|---|---|--------|-------|---|--------|--------|-------|------|----|
| St. Mary's Heart Institute | St. Mary's Heart Institute | Medical Office | — | — | 20,946 | 1,559 | — | 22,505 | 22,505 | 4,874 | 2006 | 20 |
|----------------------------|----------------------------|----------------|---|---|--------|-------|---|--------|--------|-------|------|----|

Fairfield, Ohio

| | | | | | | | | | | |
|------------|---|-----|-------|-----|-----|-------|-------|-----|------|----|
| Industrial | — | 248 | 1,617 | 344 | 248 | 1,961 | 2,209 | 943 | 1991 | 19 |
|------------|---|-----|-------|-----|-----|-------|-------|-----|------|----|

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|------------------------------|--------------------------------|----------------|---|-------|--------|-------|-------|--------|--------|-------|------|----|
| Thunderbird Building 1 | Thunderbird Building 1 | | | | | | | | | | | |
| Union Centre Industrial Park | Union Centre Industrial Park 2 | Industrial | — | 5,635 | 8,709 | 1,810 | 5,635 | 10,519 | 16,154 | 1,923 | 2008 | 20 |
| Fishers, Indiana | | | | | | | | | | | | |
| Exit 5 | Exit 5 Building 1 | Industrial | — | 822 | 2,618 | 440 | 822 | 3,058 | 3,880 | 1,131 | 1999 | 19 |
| Exit 5 | Exit 5 Building 2 | Industrial | — | 749 | 3,009 | 829 | 749 | 3,838 | 4,587 | 1,348 | 2000 | 20 |
| St. Vincent Northeast MOB | St. Vincent Northeast MOB | Medical Office | — | — | 23,101 | 4,219 | 4,235 | 23,085 | 27,320 | 5,373 | 2008 | 20 |
| Florence, Kentucky | | | | | | | | | | | | |
| Empire Commerce Center | Empire Commerce Center | Industrial | — | 813 | 878 | — | 813 | 878 | 1,691 | 100 | 1980 | 20 |
| Kentucky Drive | 7910 Kentucky Drive | Industrial | — | 265 | 493 | — | 265 | 493 | 758 | 60 | 1980 | 20 |
| Kentucky Drive | 7920 Kentucky Drive | Industrial | — | 653 | 850 | — | 653 | 850 | 1,503 | 114 | 1974 | 20 |
| Flower Mound, Texas | | | | | | | | | | | | |
| Lakeside Ranch | Lakeside Ranch Bldg 20 | Industrial | — | 9,861 | 20,994 | — | 9,861 | 20,994 | 30,855 | — | 2007 | 20 |
| Fort Worth, Texas | | | | | | | | | | | | |
| Riverpark Business Park | Riverpark Bldg 700 | Industrial | — | 3,975 | 10,766 | — | 3,975 | 10,766 | 14,741 | 230 | 2007 | 20 |
| Franklin, Tennessee | | | | | | | | | | | | |
| Aspen Grove Industrial | Aspen Grove Business Ctr I | Industrial | — | 936 | 5,960 | 3,437 | 936 | 9,397 | 10,333 | 3,869 | 1996 | 19 |
| Aspen Grove Industrial | Aspen Grove Business Ctr II | Industrial | — | 1,151 | 6,272 | 845 | 1,151 | 7,117 | 8,268 | 2,296 | 1996 | 19 |
| Aspen Grove Industrial | Aspen Grove Business Ctr III | Industrial | — | 970 | 5,352 | 588 | 970 | 5,940 | 6,910 | 1,869 | 1998 | 19 |
| Aspen Grove Industrial | Aspen Grove Business Center IV | Industrial | — | 492 | 2,249 | 546 | 492 | 2,795 | 3,287 | 575 | 2002 | 20 |
| Aspen Grove Industrial | Aspen Grove Business Ctr V | Industrial | — | 943 | 5,163 | 2,593 | 943 | 7,756 | 8,699 | 3,050 | 1996 | 19 |
| Aspen Grove Industrial | Aspen Grove Flex Center II | Industrial | — | 240 | 1,059 | 483 | 240 | 1,542 | 1,782 | 95 | 1999 | 19 |
| Aspen Grove Office | Aspen Grove Office Center I | Office | — | 950 | 5,633 | 2,723 | 950 | 8,356 | 9,306 | 2,675 | 1999 | 19 |
| Aspen Grove Industrial | Aspen Grove Flex Center I | Industrial | — | 301 | 1,061 | 715 | 301 | 1,776 | 2,077 | 534 | 1999 | 19 |
| | | Industrial | — | 327 | 856 | 1,011 | 327 | 1,867 | 2,194 | 463 | 2001 | 20 |

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|--|--------------------------------|----------------|-------|--------------|--------|------------------|-------|--------|--------|-------|------|----|--|
| Aspen Grove Industrial | Aspen Grove Flex Center III | | | | | | | | | | | | |
| Aspen Grove Industrial | Aspen Grove Flex Center IV | Industrial | — | 205 | 821 | 242 | 205 | 1,063 | 1,268 | 267 | 2001 | 20 | |
| Aspen Grove Office | Aspen Corporate Center 100 | Office | — | 723 | 2,358 | 154 | 723 | 2,512 | 3,235 | 481 | 2004 | 20 | |
| Aspen Grove Office | Aspen Corporate Center 200 | Office | — | 1,306 | 1,649 | 1,655 | 1,306 | 3,304 | 4,610 | 1,327 | 2006 | 20 | |
| Aspen Grove Office | Aspen Corporate Center 300 | Office | — | 1,451 | 2,050 | 1,901 | 1,460 | 3,942 | 5,402 | 654 | 2008 | 20 | |
| Aspen Grove Office | Aspen Corporate Center 400 | Office | — | 1,833 | 2,621 | 2,514 | 1,833 | 5,135 | 6,968 | 1,448 | 2007 | 20 | |
| Aspen Grove Office | Aspen Grove Office Center II | Office | — | 2,320 | 8,177 | 3,752 | 2,320 | 11,929 | 14,249 | 3,676 | 2007 | 20 | |
| Brentwood South Bus. Center | Brentwood South Bus Ctr IV | Industrial | — | 569 | 2,406 | 1,357 | 705 | 3,627 | 4,332 | 1,442 | 1990 | 19 | |
| Brentwood South Bus. Center | Brentwood South Bus Ctr V | Industrial | — | 445 | 1,907 | 204 | 445 | 2,111 | 2,556 | 698 | 1990 | 19 | |
| Brentwood South Bus. Center | Brentwood South Bus Ctr VI | Industrial | 1,087 | 489 | 1,206 | 654 | 489 | 1,860 | 2,349 | 661 | 1990 | 19 | |
| Franklin Park, Illinois O'Hare Distribution Center | O'Hare Distribution Ctr | Industrial | — | 3,900 | 2,702 | 1,086 | 3,900 | 3,788 | 7,688 | 584 | 2007 | 20 | |
| Franklin Park Ind. Campus | 11440 Addison Street | Industrial | — | 1,298 | 776 | — | 1,298 | 776 | 2,074 | 13 | 1960 | 20 | |
| Ft. Wayne, Indiana Parkview Ambulatory Svcs - MOB | Parkview Ambulatory Svcs - MOB | Medical Office | — | 937 | 10,661 | 4,420 | 937 | 15,081 | 16,018 | 2,271 | 2007 | 20 | |
| Garden City, Georgia Aviation Court | Aviation Court Land | Grounds | — | 1,509 | — | — | 1,509 | — | 1,509 | 113 | n/a | 20 | |
| Garner, North Carolina Greenfield North | 600 Greenfield North | Industrial | — | 597 | 3,049 | 8 | 597 | 3,057 | 3,654 | 47 | 2006 | 20 | |
| Duke Realty Corporation Real Estate and Accumulated Depreciation December 31, 2011 (in thousands) | | | | | | | | | | | | | |
| | | | | Initial Cost | | Cost Capitalized | | | | | | | |
| Schedule III | | | | | | | | | | | | | |

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| Development | Name | Building Type | Encumbrances | Land | Buildings | Subsequent Development | Gross Book Value | | | Accum. Depr. (1) | Year Constructed | Year Acquired |
|--|---------------------------------|---------------|--------------|--------|-----------|------------------------|------------------------|-----------|--------|------------------|------------------|---------------|
| | | | | | | | Land/Land Improvements | Buildings | Total | | | |
| Greenfield North | 700 Greenfield North | Industrial | — | 468 | 2,664 | — | 468 | 2,664 | 3,132 | 39 | 2007 | 2011 |
| Greenfield North | 800 Greenfield North | Industrial | — | 438 | 5,872 | — | 438 | 5,872 | 6,310 | 70 | 2004 | 2011 |
| Greenfield North | 900 Greenfield North | Industrial | — | 422 | 6,532 | — | 422 | 6,532 | 6,954 | 78 | 2007 | 2011 |
| Greenfield North | 1 Butterball Lane | Office | — | 748 | 2,730 | — | 748 | 2,730 | 3,478 | 40 | 2008 | 2011 |
| Geneva, Illinois Geneva Commerce Center | 1800 Averill Road | Industrial | — | 3,189 | 11,890 | — | 3,189 | 11,890 | 15,079 | 119 | 2000 | 2011 |
| Goodyear, Arizona Goodyear Crossing Ind. Park | Goodyear One | Industrial | — | 5,142 | 4,942 | 1,873 | 5,142 | 6,815 | 11,957 | 1,657 | 2008 | 2008 |
| Grand Prairie, Texas Grand Lakes Grand Lakes | Grand Lakes I Grand Lakes II | Industrial | — | 8,106 | 12,021 | 1,303 | 8,040 | 13,390 | 21,430 | 3,868 | 2006 | 2006 |
| | | Industrial | — | 11,853 | 16,714 | 8,370 | 11,853 | 25,084 | 36,937 | 6,242 | 2008 | 2008 |
| Pioneer 161 | Pioneer 161 Building | Industrial | — | 7,381 | 17,628 | — | 7,381 | 17,628 | 25,009 | — | 2008 | 2011 |
| Grove City, Ohio SouthPointe Business Park | SouthPointe Building A | Industrial | — | 844 | 5,606 | — | 844 | 5,606 | 6,450 | 399 | 1995 | 2010 |
| | SouthPointe Building B | Industrial | — | 790 | 5,284 | — | 790 | 5,284 | 6,074 | 382 | 1996 | 2010 |
| | SouthPointe Building C | Industrial | — | 754 | 6,418 | — | 754 | 6,418 | 7,172 | 363 | 1996 | 2010 |
| Groveport, Ohio 6600 Port Road | 6600 Port Road | Industrial | — | 2,725 | 23,022 | 2,131 | 3,213 | 24,665 | 27,878 | 9,869 | 1998 | 1997 |
| Groveport Commerce Center | Groveport Commerce Center #437 | Industrial | 4,406 | 1,049 | 6,759 | 1,305 | 1,065 | 8,048 | 9,113 | 2,700 | 1999 | 1999 |
| Groveport Commerce Center | Groveport Commerce Center #168 | Industrial | 2,494 | 510 | 3,137 | 1,274 | 510 | 4,411 | 4,921 | 1,585 | 2000 | 2000 |

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|--|--------------------------------------|------------|-------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Groveport Commerce Center | Groveport Commerce Center #345 | Industrial | 4,354 | 1,045 | 6,123 | 1,253 | 1,045 | 7,376 | 8,421 | 2,534 | 2000 | 2000 |
| Groveport Commerce Center | Groveport Commerce Center #667 | Industrial | 9,398 | 4,420 | 14,172 | 360 | 4,420 | 14,532 | 18,952 | 5,558 | 2005 | 2005 |
| Rickenbacker Park | Rickenbacker 936 | Industrial | — | 5,680 | 23,872 | — | 5,680 | 23,872 | 29,552 | 991 | 2008 | 2010 |
| Hazelwood, Missouri | | | | | | | | | | | | |
| Hazelwood | Lindbergh Distribution Center | Industrial | — | 8,200 | 10,305 | 3,413 | 8,491 | 13,427 | 21,918 | 2,799 | 2007 | 2007 |
| Hebron, Kentucky | | | | | | | | | | | | |
| Southpark | Southpark Building 4 | Industrial | — | 779 | 3,113 | 1,326 | 779 | 4,439 | 5,218 | 1,678 | 1994 | 1994 |
| Southpark | CR Services | Industrial | — | 1,085 | 4,054 | 1,409 | 1,085 | 5,463 | 6,548 | 2,455 | 1994 | 1994 |
| Hebron Industrial Park | Hebron Building 1 | Industrial | — | 8,855 | 10,961 | 392 | 8,855 | 11,353 | 20,208 | 3,516 | 2006 | 2006 |
| Hebron Industrial Park | Hebron Building 2 | Industrial | — | 6,790 | 9,039 | 3,706 | 6,813 | 12,722 | 19,535 | 2,757 | 2007 | 2007 |
| Skyport | Skyport Building 1 | Industrial | — | 1,057 | 6,219 | — | 1,057 | 6,219 | 7,276 | 478 | 1997 | 2010 |
| Skyport | Skyport Building 2 | Industrial | — | 1,400 | 9,333 | — | 1,400 | 9,333 | 10,733 | 626 | 1998 | 2010 |
| Skyport | Skyport Building 3 | Industrial | — | 2,016 | 9,114 | — | 2,016 | 9,114 | 11,130 | 705 | 2000 | 2010 |
| Skyport | Skyport Building 4 | Industrial | — | 473 | 2,979 | — | 473 | 2,979 | 3,452 | 357 | 1999 | 2010 |
| Skyport | Skyport Building 5 | Industrial | — | 2,878 | 7,408 | — | 2,878 | 7,408 | 10,286 | 789 | 2006 | 2010 |
| Southpark | Southpark Building 1 | Industrial | — | 553 | 1,801 | — | 553 | 1,801 | 2,354 | 165 | 1990 | 2010 |
| Southpark | Southpark Building 3 | Industrial | — | 755 | 3,982 | — | 755 | 3,982 | 4,737 | 252 | 1991 | 2010 |
| Hillsdale, Illinois | | | | | | | | | | | | |
| Hillside Commerce Center | 4160 Madison Street | Industrial | — | 1,069 | 1,020 | — | 1,069 | 1,020 | 2,089 | 27 | 1974 | 2011 |
| Holly Springs, North Carolina | | | | | | | | | | | | |

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|---|-------------------------------|----------------|-------|-------|--------|---------|-------|--------|--------|-------|------|------|
| REX Holly Springs MOB | REX Holly Springs MOB | Medical Office | — | 11 | 7,724 | — | 11 | 7,724 | 7,735 | — | 2011 | 2011 |
| Hopkins, Minnesota Cornerstone Business Center | Cornerstone Business Center | Industrial | 2,962 | 1,469 | 8,360 | 772 | 1,543 | 9,058 | 10,601 | 3,453 | 1996 | 1997 |
| Houston, Texas Point North Cargo Park | Point North One | Industrial | — | 3,125 | 3,420 | 2,169 | 3,125 | 5,589 | 8,714 | 1,453 | 2008 | 2008 |
| Westland Business Park | Westland I | Industrial | — | 4,183 | 4,837 | 3,145 | 4,233 | 7,932 | 12,165 | 1,903 | 2008 | 2008 |
| Westland Business Park | Westland II | Industrial | — | 3,439 | 8,890 | 81 | 3,439 | 8,971 | 12,410 | 317 | 2011 | 2011 |
| Hutchins, Texas Duke Intermodal Park | Duke Intermodal I | Industrial | 9,562 | 5,290 | 9,242 | 2,539 | 5,290 | 11,781 | 17,071 | 2,564 | 2006 | 2006 |
| Independence, Ohio Corporate Plaza | Corporate Plaza I | Office | — | 2,116 | 13,413 | (1,892) | 2,116 | 11,521 | 13,637 | 6,782 | 1989 | 1996 |
| Corporate Plaza | Corporate Plaza II | Office | — | 1,841 | 11,442 | 645 | 1,841 | 12,087 | 13,928 | 6,311 | 1991 | 1996 |
| Freedom Square | Freedom Square I | Office | — | 595 | 3,508 | (1,589) | 595 | 1,919 | 2,514 | 1,751 | 1980 | 1996 |
| Freedom Square | Freedom Square II | Office | — | 1,746 | 11,403 | (1,506) | 1,746 | 9,897 | 11,643 | 5,732 | 1987 | 1996 |
| Freedom Square | Freedom Square III | Office | — | 701 | 5,561 | (1,170) | 701 | 4,391 | 5,092 | 2,409 | 1997 | 1997 |
| Oak Tree Place | Oak Tree Place | Office | — | 703 | 4,256 | 978 | 703 | 5,234 | 5,937 | 2,027 | 1995 | 1997 |
| Park Center Plaza | Park Center Plaza I | Office | — | 2,193 | 10,622 | 2,771 | 2,193 | 13,393 | 15,586 | 4,986 | 1998 | 1998 |
| Park Center Plaza | Park Center Plaza II | Office | — | 2,190 | 10,799 | 2,902 | 2,190 | 13,701 | 15,891 | 4,593 | 1999 | 1999 |
| Park Center Plaza | Park Center Plaza III | Office | — | 2,190 | 10,623 | 3,470 | 2,190 | 14,093 | 16,283 | 5,212 | 2000 | 2000 |
| Indianapolis, Indiana Park 100 | Park 465 | Industrial | — | 124 | 759 | 211 | 124 | 970 | 1,094 | 210 | 1983 | 2005 |
| Franklin Road Business Park | Franklin Road Business Center | Industrial | — | 594 | 8,756 | 2,077 | 594 | 10,833 | 11,427 | 5,116 | 1998 | 1995 |
| | 6061 Guion Rd | Industrial | — | 274 | 1,770 | 365 | 274 | 2,135 | 2,409 | 946 | 1974 | 1995 |

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|-------------------------------|---------------------------------|----------------|-------|-------|--------|-------|-------|--------|--------|-------|------|------|
| 6061 Guion Road | | | | | | | | | | | | |
| Hillsdale | Hillsdale Technecenter 4 | Industrial | — | 366 | 4,722 | 1,737 | 366 | 6,459 | 6,825 | 3,202 | 1987 | 1993 |
| Hillsdale | Hillsdale Technecenter 5 | Industrial | — | 251 | 2,791 | 1,267 | 251 | 4,058 | 4,309 | 1,943 | 1987 | 1993 |
| Hillsdale | Hillsdale Technecenter 6 | Industrial | — | 315 | 2,962 | 2,318 | 315 | 5,280 | 5,595 | 2,606 | 1987 | 1993 |
| 8071 Township Line Road | 8071 Township Line Road | Medical Office | — | — | 2,319 | 991 | — | 3,310 | 3,310 | 514 | 2007 | 2007 |
| St. Francis Franklin Township | Franklin Township POB | Medical Office | — | — | 3,197 | 55 | 10 | 3,242 | 3,252 | 336 | 2009 | 2009 |
| St. Francis US31 & Southport | St. Francis US31 & Southport Rd | Medical Office | — | — | 3,547 | 37 | 11 | 3,573 | 3,584 | 402 | 2009 | 2009 |
| Not Applicable | St. Vincent Max Simon MOB | Medical Office | — | 3,209 | 11,575 | — | 3,209 | 11,575 | 14,784 | 139 | 2007 | 2011 |
| Park 100 | Park 100 Bldg 31 | Industrial | — | 64 | 354 | 154 | 64 | 508 | 572 | 107 | 1978 | 2005 |
| Park 100 | Park 100 Bldg 96 | Industrial | 7,902 | 1,171 | 13,804 | 113 | 1,424 | 13,664 | 15,088 | 6,071 | 1997 | 1995 |
| Park 100 | Park 100 Bldg 98 | Industrial | — | 273 | 7,618 | 2,514 | 273 | 10,132 | 10,405 | 5,252 | 1995 | 1994 |
| Park 100 | Park 100 Bldg 100 | Industrial | — | 103 | 1,931 | 823 | 103 | 2,754 | 2,857 | 1,249 | 1995 | 1995 |
| Park 100 | Park 100 Bldg 102 | Office | — | 182 | 1,098 | 381 | 182 | 1,479 | 1,661 | 339 | 1982 | 2005 |
| Park 100 | Park 100 Bldg 109 | Industrial | — | 240 | 1,654 | 494 | 246 | 2,142 | 2,388 | 1,366 | 1985 | 1986 |
| Park 100 | Park 100 Bldg 116 | Office | — | 341 | 2,871 | 580 | 348 | 3,444 | 3,792 | 1,991 | 1988 | 1988 |
| Park 100 | Park 100 Bldg 118 | Office | — | 226 | 1,931 | 1,016 | 230 | 2,943 | 3,173 | 1,446 | 1988 | 1993 |
| Park 100 | Park 100 Bldg 122 | Industrial | — | 284 | 3,159 | 1,158 | 290 | 4,311 | 4,601 | 2,107 | 1990 | 1993 |
| Park 100 | Park 100 Bldg 124 | Office | — | 227 | 2,496 | 465 | 227 | 2,961 | 3,188 | 953 | 1992 | 2002 |
| Park 100 | Park 100 Bldg 127 | Industrial | — | 96 | 1,526 | 668 | 96 | 2,194 | 2,290 | 929 | 1995 | 1995 |
| Park 100 | Park 100 Bldg 141 | Industrial | 1,940 | 1,120 | 2,562 | 272 | 1,120 | 2,834 | 3,954 | 775 | 2005 | 2005 |
| Park 100 | Hewlett-Packard Land Lease | Grounds | — | 252 | — | — | 252 | — | 252 | 57 | n/a | 2003 |
| Park 100 | Park 100 Bldg 121 Land Lease | Grounds | — | 5 | — | — | 5 | — | 5 | 1 | n/a | 2003 |
| Park 100 | Hewlett Packard Land Lse-62 | Grounds | — | 45 | — | — | 45 | — | 45 | 10 | n/a | 2003 |
| Park 100 | West 79th St. Parking Lot LL | Grounds | — | 350 | — | 699 | 1,049 | — | 1,049 | 258 | n/a | 2006 |

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|---------------------------|---------------------------|------------|--------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Park Fletcher | Park Fletcher Bldg 33 | Industrial | — | 1,237 | 5,264 | 140 | 1,237 | 5,404 | 6,641 | 1,231 | 1997 | 2006 |
| Park Fletcher | Park Fletcher Bldg 34 | Industrial | — | 1,331 | 5,427 | 618 | 1,331 | 6,045 | 7,376 | 1,368 | 1997 | 2006 |
| Park Fletcher | Park Fletcher Bldg 35 | Industrial | — | 380 | 1,422 | 38 | 380 | 1,460 | 1,840 | 349 | 1997 | 2006 |
| Park Fletcher | Park Fletcher Bldg 36 | Industrial | — | 476 | 2,347 | 67 | 476 | 2,414 | 2,890 | 557 | 1997 | 2006 |
| Park Fletcher | Park Fletcher Bldg 37 | Industrial | — | 286 | 653 | 9 | 286 | 662 | 948 | 184 | 1998 | 2006 |
| Park Fletcher | Park Fletcher Bldg 38 | Industrial | — | 1,428 | 5,957 | 68 | 1,428 | 6,025 | 7,453 | 1,331 | 1999 | 2006 |
| Park Fletcher | Park Fletcher Bldg 39 | Industrial | — | 570 | 2,070 | 248 | 570 | 2,318 | 2,888 | 543 | 1999 | 2006 |
| Park Fletcher | Park Fletcher Bldg 40 | Industrial | — | 761 | 3,363 | 415 | 761 | 3,778 | 4,539 | 1,057 | 1999 | 2006 |
| Park Fletcher | Park Fletcher Bldg 41 | Industrial | — | 952 | 4,131 | 184 | 952 | 4,315 | 5,267 | 804 | 2001 | 2006 |
| Park Fletcher | Park Fletcher Bldg 42 | Industrial | — | 2,095 | 8,273 | 58 | 2,095 | 8,331 | 10,426 | 1,577 | 2001 | 2006 |
| Parkwood Crossing | One Parkwood Crossing | Office | — | 1,018 | 9,171 | 1,778 | 1,018 | 10,949 | 11,967 | 4,548 | 1989 | 1995 |
| Parkwood Crossing | Three Parkwood Crossing | Office | — | 1,377 | 7,289 | 1,518 | 1,387 | 8,797 | 10,184 | 3,638 | 1997 | 1997 |
| Parkwood Crossing | Four Parkwood Crossing | Office | — | 1,489 | 10,866 | 1,118 | 1,537 | 11,936 | 13,473 | 4,684 | 1998 | 1998 |
| Parkwood Crossing | Five Parkwood Crossing | Office | — | 1,485 | 10,152 | 1,521 | 1,528 | 11,630 | 13,158 | 3,355 | 1999 | 1999 |
| Parkwood Crossing | Six Parkwood Crossing | Office | — | 1,960 | 13,019 | 1,724 | 1,960 | 14,743 | 16,703 | 4,477 | 2000 | 2000 |
| Parkwood Crossing | Seven Parkwood Crossing | Office | — | 1,877 | 4,123 | 2 | 1,877 | 4,125 | 6,002 | 63 | 2000 | 2011 |
| Parkwood Crossing | Eight Parkwood Crossing | Office | — | 6,435 | 15,340 | 774 | 6,435 | 16,114 | 22,549 | 6,166 | 2003 | 2003 |
| Parkwood Crossing | Nine Parkwood Crossing | Office | — | 6,046 | 13,369 | 1,694 | 6,047 | 15,062 | 21,109 | 3,682 | 2005 | 2005 |
| Parkwood West | One West | Office | 14,528 | 5,361 | 16,182 | 5,009 | 5,361 | 21,191 | 26,552 | 3,170 | 2007 | 2007 |
| Parkwood Crossing | PWW Granite City Lease | Grounds | — | 1,846 | 856 | — | 1,846 | 856 | 2,702 | 270 | 2008 | 2009 |
| Parkwood West | One West Parking Garage | Grounds | — | — | 1,616 | — | — | 1,616 | 1,616 | 17 | 2007 | 2011 |
| River Road - Indianapolis | River Road Bldg I | Office | — | 856 | 6,780 | 2,409 | 856 | 9,189 | 10,045 | 4,770 | 1998 | 1998 |
| River Road - Indianapolis | River Road Bldg II | Office | — | 1,827 | 8,416 | 3,027 | 1,886 | 11,384 | 13,270 | 1,785 | 2008 | 2008 |
| Woodland Corporate Park | Woodland Corporate Park I | Office | — | 290 | 3,415 | 1,155 | 320 | 4,540 | 4,860 | 1,668 | 1998 | 1998 |
| | | Office | — | 271 | 2,966 | 1,922 | 297 | 4,862 | 5,159 | 1,465 | 1999 | 1999 |

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|-------------------------|-----------------------------|------------|-------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Woodland Corporate Park | Woodland Corporate Park II | | | | | | | | | | | |
| Woodland Corporate Park | Woodland Corporate Park III | Office | — | 1,227 | 3,403 | 371 | 1,227 | 3,774 | 5,001 | 1,181 | 2000 | 2000 |
| Woodland Corporate Park | Woodland Corporate Park V | Office | — | 768 | 10,015 | 44 | 768 | 10,059 | 10,827 | 3,345 | 2003 | 2003 |
| Woodland Corporate Park | Woodland Corporate Park VI | Office | — | 2,145 | 10,163 | 4,309 | 2,145 | 14,472 | 16,617 | 2,716 | 2008 | 2008 |
| 3200 North Elizabeth | 3200 North Elizabeth | Industrial | — | 360 | 787 | — | 360 | 787 | 1,147 | 60 | 1973 | 2010 |
| Park 100 | Georgetown Rd. Bldg 1 | Industrial | — | 468 | 2,108 | — | 468 | 2,108 | 2,576 | 155 | 1987 | 2010 |
| Park 100 | Georgetown Rd. Bldg 2 | Industrial | — | 465 | 2,187 | 17 | 465 | 2,204 | 2,669 | 131 | 1987 | 2010 |
| Park 100 | Georgetown Rd. Bldg 3 | Industrial | — | 408 | 1,118 | — | 408 | 1,118 | 1,526 | 107 | 1987 | 2010 |
| Hillsdale | Hillsdale Technecenter 1 | Industrial | 3,757 | 733 | 2,713 | — | 733 | 2,713 | 3,446 | 337 | 1986 | 2010 |
| Hillsdale | Hillsdale Technecenter 2 | Industrial | 2,467 | 440 | 2,151 | — | 440 | 2,151 | 2,591 | 153 | 1986 | 2010 |
| Hillsdale | Hillsdale Technecenter 3 | Industrial | 2,452 | 440 | 2,185 | — | 440 | 2,185 | 2,625 | 202 | 1987 | 2010 |
| North Airport Park | North Airport Park Bldg 2 | Industrial | — | 1,800 | 4,998 | — | 1,800 | 4,998 | 6,798 | 356 | 1997 | 2010 |
| Park 100 | Park 100 Bldg 39 | Industrial | — | 628 | 2,284 | — | 628 | 2,284 | 2,912 | 168 | 1987 | 2010 |
| Park 100 | Park 100 Bldg 48 | Industrial | 2,187 | 690 | 1,730 | — | 690 | 1,730 | 2,420 | 100 | 1984 | 2010 |
| Park 100 | Park 100 Bldg 49 | Industrial | 2,006 | 364 | 1,705 | — | 364 | 1,705 | 2,069 | 98 | 1982 | 2010 |
| Park 100 | Park 100 Bldg 50 | Industrial | 1,134 | 327 | 805 | — | 327 | 805 | 1,132 | 58 | 1982 | 2010 |
| Park 100 | Park 100 Bldg 52 | Industrial | 945 | 216 | 189 | — | 216 | 189 | 405 | 16 | 1983 | 2010 |
| Park 100 | Park 100 Bldg 53 | Industrial | 1,947 | 338 | 1,513 | — | 338 | 1,513 | 1,851 | 103 | 1984 | 2010 |
| Park 100 | Park 100 Bldg 54 | Industrial | 1,652 | 354 | 1,418 | — | 354 | 1,418 | 1,772 | 85 | 1984 | 2010 |
| Park 100 | Park 100 Bldg 57 | Industrial | 2,224 | 616 | 1,319 | — | 616 | 1,319 | 1,935 | 160 | 1984 | 2010 |
| Park 100 | Park 100 Bldg 58 | Industrial | 2,397 | 642 | 2,270 | 5 | 642 | 2,275 | 2,917 | 146 | 1984 | 2010 |
| Park 100 | Park 100 Bldg 59 | Industrial | 1,581 | 411 | 1,525 | 10 | 411 | 1,535 | 1,946 | 102 | 1985 | 2010 |
| Park 100 | Park 100 Bldg 60 | Industrial | 2,029 | 382 | 1,616 | — | 382 | 1,616 | 1,998 | 150 | 1985 | 2010 |

Duke Realty Corporation

Schedule III

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Real Estate and Accumulated Depreciation
December 31, 2011
(in thousands)

| Development | Name | Building Type | Encumbrances | Initial Cost | | Buildings or Acquisition | Development or Land/Land Improvements | Capitalized Subsequent Improvements | Book Value | | Accum. Depr. (2) | Year Constructed | Year Acquired |
|--------------------------|-------------------|---------------|--------------|--------------|-----------|--------------------------|---------------------------------------|-------------------------------------|------------|-----------------|------------------|------------------|---------------|
| | | | | Branches | Buildings | | | | Total (1) | Unamortized (1) | | | |
| Park 100 | Park 100 Bldg 62 | Industrial | 2,252 | 616 | 718 | — | 616 | 718 | 1,334 | 151 | 1986 | | 2010 |
| Park 100 | Park 100 Bldg 63 | Industrial | — | 388 | 1,058 | — | 388 | 1,058 | 1,446 | 89 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 64 | Industrial | — | 389 | 1,078 | — | 389 | 1,078 | 1,467 | 70 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 66 | Industrial | — | 424 | 1,439 | — | 424 | 1,439 | 1,863 | 164 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 67 | Industrial | 1,045 | 338 | 714 | 4 | 338 | 718 | 1,056 | 45 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 68 | Industrial | 1,717 | 338 | 1,225 | — | 338 | 1,225 | 1,563 | 79 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 79 | Industrial | — | 358 | 1,802 | 14 | 358 | 1,816 | 2,174 | 102 | 1988 | | 2010 |
| Park 100 | Park 100 Bldg 80 | Industrial | — | 358 | 1,927 | — | 358 | 1,927 | 2,285 | 164 | 1988 | | 2010 |
| Park 100 | Park 100 Bldg 83 | Industrial | — | 427 | 1,576 | — | 427 | 1,576 | 2,003 | 165 | 1989 | | 2010 |
| Park 100 | Park 100 Bldg 84 | Industrial | — | 427 | 2,096 | — | 427 | 2,096 | 2,523 | 188 | 1989 | | 2010 |
| Park 100 | Park 100 Bldg 87 | Industrial | — | 1,136 | 7,008 | — | 1,136 | 7,008 | 8,144 | 527 | 1989 | | 2010 |
| Park 100 | Park 100 Bldg 97 | Industrial | — | 1,070 | 4,993 | — | 1,070 | 4,993 | 6,063 | 287 | 1994 | | 2010 |
| Park 100 | Park 100 Bldg 110 | Office | — | 376 | 1,710 | — | 376 | 1,710 | 2,086 | 101 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 111 | Industrial | — | 633 | 3,136 | 1 | 633 | 3,137 | 3,770 | 282 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 112 | Industrial | — | 356 | 938 | — | 356 | 938 | 1,294 | 78 | 1987 | | 2010 |
| Park 100 | Park 100 Bldg 128 | Industrial | 9,889 | 1,152 | 16,604 | — | 1,152 | 16,604 | 17,756 | 1,731 | 1996 | | 2010 |
| Park 100 | Park 100 Bldg 129 | Industrial | 5,688 | 1,280 | 9,474 | — | 1,280 | 9,474 | 10,754 | 871 | 2000 | | 2010 |
| Park 100 | Park 100 Bldg 131 | Industrial | 6,925 | 1,680 | 10,874 | — | 1,680 | 10,874 | 12,554 | 595 | 1997 | | 2010 |
| Park 100 | Park 100 Bldg 133 | Industrial | — | 104 | 1,157 | — | 104 | 1,157 | 1,261 | 59 | 1997 | | 2010 |
| Itasca, Illinois | | | | | | | | | | | | | |
| Itasca / 53 Business Ctr | 751 Expressway | Industrial | — | 1,208 | 2,615 | — | 1,208 | 2,615 | 3,823 | 30 | 1978 | | 2011 |

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Katy, Texas

| | | | | | | | | | | | | |
|----------------|--------------------------------|----------------|---|-----|--------|---|-----|--------|--------|-----|------|------|
| Not Applicable | Christus St. Catherine Plaza 1 | Medical Office | — | 47 | 9,092 | — | 47 | 9,092 | 9,139 | 80 | 2001 | 2011 |
| Not Applicable | Christus St. Catherine Plaza 2 | Medical Office | — | 122 | 12,009 | — | 122 | 12,009 | 12,131 | 89 | 2004 | 2011 |
| Not Applicable | Christus St. Catherine Plaza 3 | Medical Office | — | 131 | 9,963 | — | 131 | 9,963 | 10,094 | 107 | 2006 | 2011 |

Kyle, Texas

| | | | | | | | | | | | | |
|------------|------------------|----------------|---|-----|--------|-------|-----|--------|--------|-----|------|------|
| Seton Hays | Seton Hays MOB I | Medical Office | — | 165 | 11,736 | 2,973 | 165 | 14,709 | 14,874 | 927 | 2009 | 2009 |
|------------|------------------|----------------|---|-----|--------|-------|-----|--------|--------|-----|------|------|

Lafayette, Indiana

| | | | | | | | | | | | | |
|-------------------------------|-------------------------------|----------------|---|-----|--------|-------|-----|--------|--------|-----|------|------|
| St. Elizabeth Regional Health | St. Elizabeth 3920 Building A | Medical Office | — | 165 | 8,968 | 2,003 | 165 | 10,971 | 11,136 | 657 | 2009 | 2009 |
| St. Elizabeth Regional Health | St. Elizabeth 3900 Building B | Medical Office | — | 146 | 10,070 | 891 | 146 | 10,961 | 11,107 | 710 | 2009 | 2009 |

LaPorte, Texas

| | | | | | | | | | | | | |
|---------------------------------------|-----------------------|---------|---|-------|---|---|-------|---|-------|---|-----|------|
| Bayport North Bayport Industrial Park | Bayport Container Lot | Grounds | — | 3,334 | — | — | 3,334 | — | 3,334 | — | n/a | 2010 |
|---------------------------------------|-----------------------|---------|---|-------|---|---|-------|---|-------|---|-----|------|

Lawrenceville, Georgia

| | | | | | | | | | | | | |
|--------------------------------|------------------|------------|-------|-------|-------|----|-------|-------|-------|-------|------|------|
| Other Northeast 185 Properties | Weyerhaeuser BTS | Industrial | 8,924 | 3,974 | 3,101 | 22 | 3,982 | 3,115 | 7,097 | 1,812 | 2004 | 2004 |
|--------------------------------|------------------|------------|-------|-------|-------|----|-------|-------|-------|-------|------|------|

Lebanon, Indiana

| | | | | | | | | | | | | |
|-----------------------|------------------------------|------------|--------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Lebanon Business Park | Lebanon Building 4 | Industrial | 11,422 | 305 | 9,012 | 241 | 305 | 9,253 | 9,558 | 3,364 | 2000 | 1997 |
| Lebanon Business Park | Lebanon Building 9 | Industrial | 9,911 | 554 | 6,871 | 770 | 554 | 7,641 | 8,195 | 2,739 | 1999 | 1999 |
| Lebanon Business Park | Lebanon Building 12 | Industrial | 25,357 | 5,163 | 12,851 | 575 | 5,163 | 13,426 | 18,589 | 5,482 | 2003 | 2003 |
| Lebanon Business Park | Lebanon Building 13 | Industrial | 9,687 | 561 | 6,473 | 255 | 1,901 | 5,388 | 7,289 | 2,519 | 2003 | 2003 |
| Lebanon Business Park | Lebanon Building 14 | Industrial | 19,471 | 2,813 | 11,496 | 1,339 | 2,813 | 12,835 | 15,648 | 3,082 | 2005 | 2005 |
| Lebanon Business Park | Lebanon Building 1(Amer Air) | Industrial | 3,337 | 312 | 3,802 | 6 | 312 | 3,808 | 4,120 | 228 | 1996 | 2010 |
| | | Industrial | 18,787 | 948 | 19,037 | — | 948 | 19,037 | 19,985 | 1,030 | 2007 | 2010 |

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|-----------------------------------|-----------------------------------|------------|--------|--------|--------|-------|--------|--------|--------|--------|------|--|------|
| Lebanon Business Park | Lebanon Building 2 | | | | | | | | | | | | |
| Lebanon Business Park | Lebanon Building 6 | Industrial | 13,042 | 699 | 8,456 | — | 699 | 8,456 | 9,155 | 597 | 1998 | | 2010 |
| Lebanon, Tennessee Park 840 | Pk 840 | | | | | | | | | | | | |
| Logistics Center | Logistics Cnt. Bldg 653 | Industrial | — | 6,776 | 10,954 | 3,995 | 6,776 | 14,949 | 21,725 | 3,466 | 2006 | | 2006 |
| Lynwood, California | | | | | | | | | | | | | |
| Not Applicable | Century Distribution Center | Industrial | — | 16,847 | 18,689 | — | 16,847 | 18,689 | 35,536 | 631 | 2007 | | 2011 |
| Maryland Heights, Missouri | | | | | | | | | | | | | |
| Riverport Business Park | Riverport Tower | Office | — | 3,549 | 27,727 | 8,600 | 3,954 | 35,922 | 39,876 | 15,358 | 1991 | | 1997 |
| Riverport Business Park | Riverport Distribution | Industrial | — | 242 | 2,217 | 1,132 | 242 | 3,349 | 3,591 | 1,376 | 1990 | | 1997 |
| Riverport Business Park | 14000 Riverport Dr | Industrial | — | 1,197 | 8,590 | 427 | 1,197 | 9,017 | 10,214 | 3,572 | 1992 | | 1997 |
| Riverport Business Park | 13900 Riverport Dr | Office | — | 2,285 | 9,473 | 849 | 2,285 | 10,322 | 12,607 | 3,802 | 1999 | | 1999 |
| Riverport Business Park | Riverport 1 | Industrial | — | 900 | 2,588 | 545 | 900 | 3,133 | 4,033 | 1,303 | 1999 | | 1999 |
| Riverport Business Park | Riverport 2 | Industrial | — | 1,238 | 4,152 | 70 | 1,238 | 4,222 | 5,460 | 1,692 | 2000 | | 2000 |
| Riverport Business Park | Riverport III | Industrial | — | 1,269 | 1,923 | 2,237 | 1,269 | 4,160 | 5,429 | 1,500 | 2001 | | 2001 |
| Riverport Business Park | Riverport IV | Industrial | — | 1,864 | 3,362 | 1,736 | 1,864 | 5,098 | 6,962 | 1,165 | 2007 | | 2007 |
| McDonough, Georgia | | | | | | | | | | | | | |
| Liberty Distribution Center | 120 Declaration Dr | Industrial | — | 615 | 8,377 | 393 | 615 | 8,770 | 9,385 | 2,750 | 1997 | | 1999 |
| Liberty Distribution Center | 250 Declaration Dr | Industrial | 19,561 | 2,273 | 11,565 | 2,786 | 2,312 | 14,312 | 16,624 | 3,737 | 2001 | | 2001 |
| Melrose Park, Illinois | | | | | | | | | | | | | |
| O'Hare International Ctr | Melrose Business Center | Industrial | — | 5,907 | 17,578 | — | 5,907 | 17,578 | 23,485 | 790 | 2000 | | 2010 |

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|-----------------------------|------------------------------|--------------------------------|----------------|-----|--------|--------|-------|--------|--------|--------|--------|------|------|
| Mendota Heights, Minnesota | Enterprise Industrial Center | Enterprise Industrial Center | Industrial | — | 864 | 4,924 | 697 | 888 | 5,597 | 6,485 | 2,154 | 1979 | 1997 |
| Mishawaka, Indiana | SJPMC Edison Lakes MOB | SJPMC Edison Lakes MOB | Medical Office | — | — | 31,951 | 3,757 | 60 | 35,648 | 35,708 | 2,670 | 2009 | 2009 |
| Moosic, Pennsylvania | Not Applicable | Shoppes at Montage | Retail | — | 21,347 | 38,731 | 2,002 | 21,347 | 40,733 | 62,080 | 11,684 | 2007 | 2009 |
| Morgans Point, Texas | Not Applicable | Barbours Cut I | Industrial | — | 1,482 | 8,209 | — | 1,482 | 8,209 | 9,691 | 431 | 2004 | 2010 |
| | Not Applicable | Barbours Cut II | Industrial | — | 1,447 | 8,471 | — | 1,447 | 8,471 | 9,918 | 444 | 2005 | 2010 |
| Morrisville, North Carolina | Perimeter Park | 507 Airport Blvd | Industrial | — | 1,327 | 7,338 | 1,871 | 1,351 | 9,185 | 10,536 | 3,062 | 1993 | 1999 |
| | Perimeter Park | 5151 McCrimmon Pkwy | Office | — | 1,318 | 7,075 | 2,961 | 1,342 | 10,012 | 11,354 | 3,176 | 1995 | 1999 |
| | Perimeter Park | 2600 Perimeter Park Dr | Industrial | — | 975 | 5,177 | 1,143 | 991 | 6,304 | 7,295 | 2,245 | 1997 | 1999 |
| | Perimeter Park | 5150 McCrimmon Pkwy | Office | — | 1,739 | 12,130 | 1,698 | 1,773 | 13,794 | 15,567 | 4,548 | 1998 | 1999 |
| | Perimeter Park | 2400 Perimeter Park Drive | Office | — | 760 | 5,417 | 1,341 | 778 | 6,740 | 7,518 | 2,135 | 1999 | 1999 |
| | Perimeter Park | 3000 Perimeter Park Dr (Met 1) | Industrial | 86 | 482 | 2,466 | 1,323 | 491 | 3,780 | 4,271 | 1,302 | 1989 | 1999 |
| | Perimeter Park | 2900 Perimeter Park Dr (Met 2) | Industrial | 70 | 235 | 1,882 | 1,359 | 264 | 3,212 | 3,476 | 1,155 | 1990 | 1999 |
| | Perimeter Park | 2800 Perimeter Park Dr (Met 3) | Industrial | 129 | 777 | 4,501 | 1,130 | 843 | 5,565 | 6,408 | 1,805 | 1992 | 1999 |
| | | | Office | — | 777 | 5,581 | 1,881 | 794 | 7,445 | 8,239 | 2,361 | 1990 | 1999 |

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|-----------------|--------------------------------|------------|---|-------|--------|-------|-------|--------|--------|-------|------|------|
| Perimeter Park | 1100 Perimeter Park Drive | | | | | | | | | | | |
| Perimeter Park | 1500 Perimeter Park Drive | Office | — | 1,148 | 10,086 | 1,877 | 1,177 | 11,934 | 13,111 | 3,512 | 1996 | 1999 |
| Perimeter Park | 1600 Perimeter Park Drive | Office | — | 1,463 | 9,463 | 2,445 | 1,513 | 11,858 | 13,371 | 4,299 | 1994 | 1999 |
| Perimeter Park | 1800 Perimeter Park Drive | Office | — | 907 | 5,317 | 1,803 | 993 | 7,034 | 8,027 | 2,450 | 1994 | 1999 |
| Perimeter Park | 2000 Perimeter Park Drive | Office | — | 788 | 5,110 | 1,090 | 842 | 6,146 | 6,988 | 2,205 | 1997 | 1999 |
| Perimeter Park | 1700 Perimeter Park Drive | Office | — | 1,230 | 10,070 | 2,849 | 1,260 | 12,889 | 14,149 | 4,744 | 1997 | 1999 |
| Perimeter Park | 5200 East Paramount | Office | — | 1,748 | 14,291 | 1,475 | 1,797 | 15,717 | 17,514 | 4,913 | 1999 | 1999 |
| Perimeter Park | 2700 Perimeter Park | Industrial | — | 662 | 1,831 | 1,894 | 662 | 3,725 | 4,387 | 1,331 | 2001 | 2001 |
| Perimeter Park | 5200 West Paramount | Office | — | 1,831 | 12,608 | 1,831 | 1,831 | 14,439 | 16,270 | 5,385 | 2001 | 2001 |
| Perimeter Park | 2450 Perimeter Park Drive | Office | — | 669 | 2,259 | 3 | 669 | 2,262 | 2,931 | 573 | 2002 | 2002 |
| Perimeter Park | 3800 Paramount Parkway | Office | — | 2,657 | 7,271 | 3,246 | 2,657 | 10,517 | 13,174 | 3,818 | 2006 | 2006 |
| Perimeter Park | Lenovo BTS I | Office | — | 1,439 | 16,961 | 1,518 | 1,439 | 18,479 | 19,918 | 4,505 | 2006 | 2006 |
| Perimeter Park | Lenovo BTS II | Office | — | 1,725 | 16,809 | 1,996 | 1,725 | 18,805 | 20,530 | 4,102 | 2007 | 2007 |
| Perimeter Park | 5221 Paramount Parkway | Office | — | 1,661 | 14,086 | 2,228 | 1,661 | 16,314 | 17,975 | 2,391 | 2008 | 2008 |
| Perimeter Park | 2250 Perimeter Park | Office | — | 2,290 | 6,981 | 2,436 | 2,290 | 9,417 | 11,707 | 2,243 | 2008 | 2008 |
| Perimeter Park | Perimeter One | Office | — | 5,880 | 13,605 | 9,295 | 5,880 | 22,900 | 28,780 | 6,771 | 2007 | 2007 |
| Perimeter Park | Market at Perimeter Park-Bld A | Retail | — | 1,149 | 1,708 | 302 | 1,149 | 2,010 | 3,159 | 280 | 2009 | 2009 |
| Woodlake Center | 100 Innovation | Industrial | — | 633 | 3,748 | 666 | 633 | 4,414 | 5,047 | 1,477 | 1994 | 1999 |
| Woodlake Center | 101 Innovation | Industrial | — | 615 | 3,971 | 148 | 615 | 4,119 | 4,734 | 1,292 | 1997 | 1999 |
| Woodlake Center | 200 Innovation | Industrial | — | 357 | 4,068 | 277 | 357 | 4,345 | 4,702 | 1,369 | 1999 | 1999 |
| Woodlake Center | 501 Innovation | Industrial | — | 640 | 5,589 | 176 | 640 | 5,765 | 6,405 | 1,795 | 1999 | 1999 |
| Woodlake Center | 1000 Innovation | Industrial | — | 514 | 2,927 | 207 | 514 | 3,134 | 3,648 | 782 | 1996 | 2002 |
| Woodlake Center | 1200 Innovation | Industrial | — | 740 | 4,416 | 334 | 740 | 4,750 | 5,490 | 1,177 | 1996 | 2002 |
| Woodlake Center | 400 Innovation | Industrial | — | 908 | 1,517 | 373 | 908 | 1,890 | 2,798 | 952 | 2004 | 2004 |

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| | | | | | | | | | | | | | |
|----------------------------------|--|-------------------|-------|-------|--------|-------|-------|--------|--------|-------|------|------|--|
| Munster, Indiana | | | | | | | | | | | | | |
| Not Applicable | Hammond Clinic Specialty Ctr. (3) | Medical Office | — | — | 12,954 | — | — | 12,954 | 12,954 | — | 1986 | 2011 | |
| Not Applicable | HC Family Wellness Center (3) | Medical Office | — | — | 3,568 | — | — | 3,568 | 3,568 | — | 1999 | 2011 | |
| Not Applicable | Franciscan Physician Hosp. OPC (3) | Medical Office | — | — | 4,564 | — | — | 4,564 | 4,564 | — | 1998 | 2011 | |
| Murfreesboro, Tennessee | | | | | | | | | | | | | |
| Middle Tenn Med Ctr - MOB | Middle Tenn Med Ctr - MOB | Medical Office | — | — | 20,564 | 4,947 | 7 | 25,504 | 25,511 | 3,182 | 2008 | 2008 | |
| Naperville, Illinois | | | | | | | | | | | | | |
| Meridian Business Campus | 1835 Jefferson | Industrial | — | 3,180 | 7,959 | 5 | 3,184 | 7,960 | 11,144 | 2,071 | 2005 | 2003 | |
| I-88 West Suburban | 175 Ambassador Dr | Industrial | — | 4,778 | 11,252 | — | 4,778 | 11,252 | 16,030 | 680 | 2006 | 2010 | |
| Nashville, Tennessee | | | | | | | | | | | | | |
| Airpark East | Airpark East-800 Commerce Dr. | Industrial | 2,372 | 1,564 | 2,611 | 1,065 | 1,564 | 3,676 | 5,240 | 943 | 2002 | 2002 | |
| Riverview Business Center | Riverview Office Building | Office | — | 847 | 5,126 | 1,843 | 847 | 6,969 | 7,816 | 2,356 | 1983 | 1999 | |
| Nashville Business Center | Nashville Business Center I | Industrial | — | 936 | 5,943 | 1,246 | 936 | 7,189 | 8,125 | 2,385 | 1997 | 1999 | |
| Nashville Business Center | Nashville Business Center II | Industrial | — | 5,659 | 10,206 | 845 | 5,659 | 11,051 | 16,710 | 3,460 | 2005 | 2005 | |
| Four-Forty Business Center | Four-Forty Business Center I | Industrial | — | 938 | 6,454 | 115 | 938 | 6,569 | 7,507 | 2,073 | 1997 | 1999 | |
| Four-Forty Business Center | Four-Forty Business Center III | Industrial | — | 1,812 | 7,325 | 1,208 | 1,812 | 8,533 | 10,345 | 2,736 | 1998 | 1999 | |
| Four-Forty Business | Four-Forty Business | Industrial | — | 1,522 | 5,365 | 615 | 1,522 | 5,980 | 7,502 | 1,980 | 1997 | 1999 | |

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|--|---|--------------|--------------|-----------|-------------------|---|-----------|---------------------------------|---------------------|---------------------|------------------|--|------|
| Center Four-Forty Business Center | Center IV Four-Forty Business Center V | | | | | | | | | | | | |
| Four-Forty Business Center | Four-Forty Business Center II | Industrial | — | 471 | 2,335 | 717 | 471 | 3,052 | 3,523 | 1,017 | 1999 | | 1999 |
| Four-Forty Business Center | Four-Forty Business Center II | Industrial | 2,958 | 1,108 | 4,829 | — | 1,108 | 4,829 | 5,937 | 192 | 1996 | | 2010 |
| Niles, Illinois Howard 220 | Howard 220 | Industrial | 7,440 | 4,920 | 2,320 | 9,615 | 7,761 | 9,094 | 16,855 | 1,851 | 2008 | | 2004 |
| Norfolk, Virginia Norfolk Industrial Park | 1400 Sewells Point Rd | Industrial | 2,167 | 1,463 | 5,723 | 578 | 1,463 | 6,301 | 7,764 | 877 | 1983 | | 2007 |
| Northlake, Illinois Northlake 1 Park | Northlake I | Industrial | 8,497 | 5,721 | 9,963 | 835 | 5,721 | 10,798 | 16,519 | 2,997 | 2002 | | 2002 |
| Northlake Distribution Park | Northlake III-Grnd Whse | Industrial | 5,559 | 5,382 | 5,708 | 253 | 5,382 | 5,961 | 11,343 | 1,652 | 2006 | | 2006 |
| Northlake Distribution Park | 200 Champion Way | Industrial | — | 3,554 | 12,262 | — | 3,554 | 12,262 | 15,816 | 131 | 1997 | | 2011 |
| Oak Brook, Illinois 2000 York Road | 2000 York Rd | Office | — | 2,625 | 15,825 | 377 | 2,625 | 16,202 | 18,827 | 10,405 | 1986 | | 2005 |
| Orlando, Florida Liberty Park at Southcenter | Southcenter I-Brede/Allied BTS | Industrial | — | 3,094 | 3,867 | 29 | 3,094 | 3,896 | 6,990 | 1,652 | 2003 | | 2003 |
| Duke Realty Corporation Real Estate and Accumulated Depreciation December 31, 2011 (in thousands) | | | | | | | | | | | | | |
| | | | | | | Schedule III | | | | | | | |
| | | | Initial Cost | | | Cost Capitalized Subsequent to Development Acquisition | | Original Book Value 12/31/11 | | | | | |
| Development Name | Building Type | Encumbrances | Land | Buildings | or Acquisition | Land/Land Improvements | Buildings | Total (1) | Accum. Depr. (2) | Year Constructed | Year Acquired | | |
| Park south Distribution Center | Park south Distribution Ctr. B | Industrial | — | 565 | 4,479 | 551 | 570 | 5,025 | 5,595 | 1,574 | 1996 | | 1999 |
| Park south Distribution | Park south Distribution Ctr. A | Industrial | — | 493 | 4,340 | 612 | 498 | 4,947 | 5,445 | 1,461 | 1997 | | 1999 |

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|---|-------------------------------|------------|-------|--------|--------|-------|--------|--------|---------|--------|------|------|
| Center | | | | | | | | | | | | |
| Parksouth Distribution Center | Parksouth Distribution Ctr. D | Industrial | — | 593 | 4,075 | 549 | 597 | 4,620 | 5,217 | 1,497 | 1998 | 1999 |
| Parksouth Distribution Center | Parksouth Distribution Ctr. E | Industrial | — | 649 | 4,433 | 669 | 677 | 5,074 | 5,751 | 1,619 | 1997 | 1999 |
| Parksouth Distribution Center | Parksouth Distribution Ctr. F | Industrial | — | 1,030 | 4,767 | 1,685 | 1,232 | 6,250 | 7,482 | 2,111 | 1999 | 1999 |
| Parksouth Distribution Center | Parksouth Distribution Ctr. H | Industrial | — | 725 | 3,109 | 440 | 754 | 3,520 | 4,274 | 1,063 | 2000 | 2000 |
| Parksouth Distribution Center | Parksouth Distribution Ctr. C | Industrial | — | 598 | 1,769 | 1,687 | 674 | 3,380 | 4,054 | 918 | 2003 | 2003 |
| Parksouth Distribution Center | Parksouth-Benjamin Moore BTS | Industrial | — | 708 | 2,070 | 62 | 1,129 | 1,711 | 2,840 | 663 | 2003 | 2003 |
| Crossroads Business Park | Crossroads VII | Industrial | — | 2,803 | 5,891 | 3,212 | 2,803 | 9,103 | 11,906 | 2,782 | 2006 | 2006 |
| Crossroads Business Park | Crossroads VIII | Industrial | — | 2,701 | 4,817 | 1,429 | 2,701 | 6,246 | 8,947 | 1,336 | 2007 | 2007 |
| Otsego, Minnesota Gateway North Business Center | Gateway North 1 | Industrial | — | 2,243 | 3,959 | 1,244 | 2,287 | 5,159 | 7,446 | 1,076 | 2007 | 2007 |
| Pembroke Pines, Florida | | | | | | | | | | | | |
| Pembroke Pines | Pembroke Gardens | Retail | — | 26,067 | 88,118 | 5,736 | 24,858 | 95,063 | 119,921 | 19,238 | 2007 | 2009 |
| Pembroke Pines | PNC Ground Lease-Nursery Site | Grounds | — | 1,752 | — | — | 1,752 | — | 1,752 | 10 | n/a | 2010 |
| Phoenix, Arizona | | | | | | | | | | | | |
| Not Applicable | Estrella Buckeye | Industrial | 4,195 | 1,796 | 5,889 | — | 1,796 | 5,889 | 7,685 | 687 | 1996 | 2010 |
| Riverside Business Center | Riverside Business Center | Industrial | — | 5,349 | 13,154 | 14 | 5,349 | 13,168 | 18,517 | 701 | 2007 | 2010 |
| Plainfield, Illinois | | | | | | | | | | | | |

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|--|-------------------------------|----------------|--------|--------|--------|-------|--------|--------|--------|-------|------|------|
| Edward Plainfield MOB I | Edward Plainfield MOB I | Medical Office | — | — | 9,409 | 1,268 | — | 10,677 | 10,677 | 3,047 | 2006 | 2007 |
| Plainfield, Indiana Plainfield Business Park | Plainfield Building 1 | Industrial | 15,599 | 1,104 | 11,151 | 455 | 1,104 | 11,606 | 12,710 | 3,731 | 2000 | 2000 |
| Plainfield Business Park | Plainfield Building 2 | Industrial | 15,529 | 1,387 | 7,863 | 3,198 | 2,868 | 9,580 | 12,448 | 3,966 | 2000 | 2000 |
| Plainfield Business Park | Plainfield Building 3 | Industrial | 16,954 | 2,016 | 9,151 | 2,560 | 2,016 | 11,711 | 13,727 | 2,667 | 2002 | 2002 |
| Plainfield Business Park | Plainfield Building 5 | Industrial | 12,279 | 2,726 | 6,488 | 930 | 2,726 | 7,418 | 10,144 | 2,174 | 2004 | 2004 |
| Plainfield Business Park | Plainfield Building 8 | Industrial | 20,285 | 4,527 | 11,088 | 1,016 | 4,527 | 12,104 | 16,631 | 2,596 | 2006 | 2006 |
| Plano, Texas Baylor Plano MOB | Baylor Plano MOB | Medical Office | — | 16 | 28,375 | 3,031 | 49 | 31,373 | 31,422 | 2,158 | 2009 | 2009 |
| Plantation, Florida Royal Palm | Royal Palm I | Office | — | 10,209 | 30,827 | 3 | 10,209 | 30,830 | 41,039 | 3,247 | 2001 | 2010 |
| Royal Palm | Royal Palm II | Office | — | 8,935 | 30,011 | — | 8,935 | 30,011 | 38,946 | 2,751 | 2007 | 2010 |
| Crossroads Business Park | Crossroads Business Park 1 | Office | 11,010 | 3,735 | 11,407 | 186 | 3,735 | 11,593 | 15,328 | 558 | 1997 | 2010 |
| Crossroads Business Park | Crossroads Business Park 2 | Office | 15,034 | 2,610 | 12,018 | 419 | 2,610 | 12,437 | 15,047 | 669 | 1998 | 2010 |
| Crossroads Business Park | Crossroads Business Park 3 | Office | 16,230 | 3,938 | 13,625 | 182 | 3,938 | 13,807 | 17,745 | 704 | 1999 | 2010 |
| Crossroads Business Park | Crossroads Business Park 4 | Office | 10,047 | 3,037 | 11,840 | 210 | 3,037 | 12,050 | 15,087 | 616 | 2001 | 2010 |
| South Pointe - Broward | Crossroads Bus. Pk.-So. Trust | Grounds | — | 864 | — | — | 864 | — | 864 | 7 | n/a | 2010 |
| Plymouth, Minnesota Medicine Lake Indust Ctr | Medicine Lake Indus. Center | Industrial | — | 1,145 | 5,944 | 1,860 | 1,157 | 7,792 | 8,949 | 2,975 | 1970 | 1990 |

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|--------------------------|------------------------------|------------|-------|-------|-------|-----|-------|-------|--------|-----|------|------|
| Pompano Beach, Florida | | | | | | | | | | | | |
| Atlantic Business Center | Atlantic Business Center 1 | Industrial | 6,543 | 3,165 | 8,949 | 732 | 3,165 | 9,681 | 12,846 | 365 | 2000 | 2010 |
| Atlantic Business Center | Atlantic Business Center 2 | Industrial | 5,572 | 2,663 | 8,751 | — | 2,663 | 8,751 | 11,414 | 358 | 2001 | 2010 |
| Atlantic Business Center | Atlantic Business Center 3 | Industrial | 5,897 | 2,764 | 8,553 | — | 2,764 | 8,553 | 11,317 | 389 | 2001 | 2010 |
| Atlantic Business Center | Atlantic Business Center 4A | Industrial | 4,276 | 1,804 | 6,259 | — | 1,804 | 6,259 | 8,063 | 283 | 2002 | 2010 |
| Atlantic Business Center | Atlantic Business Center 4B | Industrial | 4,579 | 1,834 | 5,531 | — | 1,834 | 5,531 | 7,365 | 245 | 2002 | 2010 |
| Atlantic Business Center | Atlantic Business Center 5A | Industrial | 4,510 | 1,980 | 6,139 | — | 1,980 | 6,139 | 8,119 | 275 | 2002 | 2010 |
| Atlantic Business Center | Atlantic Business Center 5B | Industrial | 4,381 | 1,995 | 6,379 | — | 1,995 | 6,379 | 8,374 | 308 | 2004 | 2010 |
| Atlantic Business Center | Atlantic Business Center 6A | Industrial | 4,576 | 1,999 | 6,256 | — | 1,999 | 6,256 | 8,255 | 278 | 2004 | 2010 |
| Atlantic Business Center | Atlantic Business Center 6B | Industrial | 4,616 | 1,988 | 6,337 | — | 1,988 | 6,337 | 8,325 | 281 | 2002 | 2010 |
| Atlantic Business Center | Atlantic Business Center 7A | Industrial | 3,420 | 2,194 | 4,319 | — | 2,194 | 4,319 | 6,513 | 210 | 2005 | 2010 |
| Atlantic Business Center | Atlantic Business Center 7B | Industrial | 4,464 | 2,066 | 7,024 | — | 2,066 | 7,024 | 9,090 | 326 | 2004 | 2010 |
| Atlantic Business Center | Atlantic Business Center 8 | Industrial | 4,727 | 1,616 | 3,785 | — | 1,616 | 3,785 | 5,401 | 184 | 2005 | 2010 |
| Atlantic Business Center | Atlantic Business Center 9 | Industrial | 3,124 | 1,429 | 2,347 | — | 1,429 | 2,347 | 3,776 | 109 | 2006 | 2010 |
| Copans Business Park | Copans Business Park 3 | Industrial | 4,541 | 1,710 | 3,892 | — | 1,710 | 3,892 | 5,602 | 180 | 1989 | 2010 |
| Copans Business Park | Copans Business Park 4 | Industrial | 4,139 | 1,781 | 3,435 | — | 1,781 | 3,435 | 5,216 | 160 | 1989 | 2010 |
| Park Central Industrial | Park Central Business Park 1 | Office | 5,952 | 1,613 | 4,982 | — | 1,613 | 4,982 | 6,595 | 360 | 1985 | 2010 |
| | | Industrial | 1,259 | 634 | 556 | — | 634 | 556 | 1,190 | 53 | 1982 | 2010 |

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|--------------------------|--------------------------------|------------|-------|-------|-------|-----|-------|-------|--------|-----|------|------|
| Park Central Industrial | Park Central Business Park 2 | | | | | | | | | | | |
| Park Central Industrial | Park Central Business Park 3 | Industrial | 1,534 | 638 | 1,031 | — | 638 | 1,031 | 1,669 | 51 | 1982 | 2010 |
| Park Central Industrial | Park Central Business Park 4 | Industrial | 1,834 | 938 | 1,094 | — | 938 | 1,094 | 2,032 | 60 | 1985 | 2010 |
| Park Central Industrial | Park Central Business Park 5 | Industrial | 2,418 | 1,125 | 1,553 | — | 1,125 | 1,553 | 2,678 | 127 | 1986 | 2010 |
| Park Central Industrial | Park Central Business Park 6 | Industrial | 2,088 | 1,088 | 1,068 | — | 1,088 | 1,068 | 2,156 | 82 | 1986 | 2010 |
| Park Central Industrial | Park Central Business Park 7 | Industrial | 2,162 | 979 | 950 | — | 979 | 950 | 1,929 | 86 | 1986 | 2010 |
| Park Central Industrial | Park Central Business Park 10 | Industrial | 3,773 | 1,688 | 2,299 | — | 1,688 | 2,299 | 3,987 | 150 | 1999 | 2010 |
| Park Central Industrial | Park Central Business Park 11 | Industrial | 6,063 | 3,098 | 3,607 | — | 3,098 | 3,607 | 6,705 | 234 | 1995 | 2010 |
| Pompano Commerce Center | Pompano Commerce Ctr I | Industrial | — | 3,250 | 5,425 | — | 3,250 | 5,425 | 8,675 | 459 | 2010 | 2010 |
| Pompano Commerce Center | Pompano Commerce Ctr III | Industrial | — | 3,250 | 5,704 | — | 3,250 | 5,704 | 8,954 | 466 | 2010 | 2010 |
| Sample 95 | Sample 95 Business Park 1 | Industrial | 7,276 | 3,300 | 6,513 | — | 3,300 | 6,513 | 9,813 | 308 | 1999 | 2010 |
| Sample 95 | Sample 95 Business Park 2 | Industrial | 9,857 | 2,963 | 6,367 | — | 2,963 | 6,367 | 9,330 | 214 | 1999 | 2010 |
| Sample 95 | Sample 95 Business Park 3 | Industrial | 8,260 | 3,713 | 4,465 | — | 3,713 | 4,465 | 8,178 | 173 | 1999 | 2010 |
| Sample 95 | Sample 95 Business Park 4 | Industrial | — | 1,688 | 5,408 | — | 1,688 | 5,408 | 7,096 | 247 | 1999 | 2010 |
| Copans Business Park | Copans Business Park 1 | Industrial | 3,237 | 1,856 | 3,236 | 105 | 1,856 | 3,341 | 5,197 | 130 | 1989 | 2010 |
| Copans Business Park | Copans Business Park 2 | Industrial | 3,784 | 1,988 | 3,660 | — | 1,988 | 3,660 | 5,648 | 178 | 1989 | 2010 |
| Park Central Industrial | Park Central Business Park 8-9 | Industrial | 7,220 | 4,136 | 6,870 | 52 | 4,136 | 6,922 | 11,058 | 359 | 1998 | 2010 |
| Park Central Industrial | Park Central Business Park 12 | Industrial | 9,114 | 2,696 | 6,499 | 42 | 2,696 | 6,541 | 9,237 | 334 | 1998 | 2010 |
| Park Central Industrial | Park Central Business Park 14 | Industrial | 3,062 | 1,635 | 2,965 | 40 | 1,635 | 3,005 | 4,640 | 128 | 1996 | 2010 |
| Park Central Industrial | Park Central Business Park 15 | Industrial | 2,355 | 1,500 | 2,209 | 21 | 1,500 | 2,230 | 3,730 | 113 | 1998 | 2010 |
| Park Central Industrial | Park Central Business Park 33 | Industrial | 3,745 | 2,438 | 3,397 | 75 | 2,438 | 3,472 | 5,910 | 169 | 1997 | 2010 |
| Atlantic Business Center | Atlantic Business Ctr. 10-KFC | Grounds | — | 772 | — | — | 772 | — | 772 | 4 | n/a | 2010 |

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|--------------------------------|--------------------------------|----------------|-------|-------|--------|-------|-------|--------|--------|-------|------|------|
| Port Wentworth, Georgia | | | | | | | | | | | | |
| Grange Road 318 | Grange Road | Industrial | 1,773 | 957 | 4,174 | 93 | 957 | 4,267 | 5,224 | 707 | 2001 | 2006 |
| Grange Road 246 | Grange Road | Industrial | 5,338 | 1,191 | 8,294 | 7 | 1,191 | 8,301 | 9,492 | 1,642 | 2006 | 2006 |
| Crossroads (Savannah) | 100 Ocean Link Way-Godley Rd | Industrial | 9,620 | 2,306 | 13,389 | 81 | 2,336 | 13,440 | 15,776 | 2,481 | 2006 | 2006 |
| Crossroads (Savannah) | 500 Expansion Blvd | Industrial | 4,113 | 649 | 6,282 | 81 | 649 | 6,363 | 7,012 | 762 | 2006 | 2006 |
| Crossroads (Savannah) | 400 Expansion Blvd | Industrial | 9,381 | 1,636 | 14,506 | 19 | 1,636 | 14,525 | 16,161 | 1,802 | 2007 | 2007 |
| Crossroads (Savannah) | 605 Expansion Blvd | Industrial | 5,528 | 1,615 | 7,456 | 25 | 1,615 | 7,481 | 9,096 | 963 | 2007 | 2007 |
| Crossroads (Savannah) | 405 Expansion Blvd | Industrial | 2,105 | 535 | 3,543 | — | 535 | 3,543 | 4,078 | 458 | 2008 | 2008 |
| Crossroads (Savannah) | 600 Expansion Blvd | Industrial | 6,027 | 1,248 | 10,387 | — | 1,248 | 10,387 | 11,635 | 1,307 | 2008 | 2008 |
| Crossroads (Savannah) | 602 Expansion Blvd | Industrial | — | 1,840 | 12,181 | 27 | 1,859 | 12,189 | 14,048 | 1,319 | 2009 | 2009 |
| Raleigh, North Carolina | | | | | | | | | | | | |
| Brook Forest | Brook Forest I | Office | — | 1,242 | 4,614 | 1,255 | 1,242 | 5,869 | 7,111 | 1,860 | 2000 | 2000 |
| Centerview | 5540 Centerview Dr | Office | — | 773 | 5,324 | 1,791 | 773 | 7,115 | 7,888 | 1,672 | 1986 | 2003 |
| Centerview | 5565 Centerview Dr | Office | — | 513 | 4,174 | 1,135 | 513 | 5,309 | 5,822 | 1,098 | 1999 | 2003 |
| Crabtree Overlook | Crabtree Overlook | Office | — | 2,164 | 15,288 | 858 | 2,164 | 16,146 | 18,310 | 4,437 | 2001 | 2001 |
| Interchange Plaza | 801 Jones Franklin Rd | Office | — | 1,351 | 7,465 | 1,041 | 1,351 | 8,506 | 9,857 | 3,011 | 1995 | 1995 |
| Interchange Plaza | 5520 Capital Center Dr | Office | — | 842 | 3,824 | 734 | 842 | 4,558 | 5,400 | 1,449 | 1993 | 1993 |
| WakeMed Brier Creek Healthplex | WakeMed Brier Creek Healthplex | Medical Office | — | 10 | 6,653 | 13 | 10 | 6,666 | 6,676 | — | 2011 | 2011 |
| Walnut Creek | Walnut Creek Business Park I | Industrial | — | 419 | 1,807 | 585 | 442 | 2,369 | 2,811 | 665 | 2001 | 2001 |
| Walnut Creek | Walnut Creek Business Park II | Industrial | — | 456 | 2,318 | 437 | 487 | 2,724 | 3,211 | 736 | 2001 | 2001 |
| Walnut Creek | Walnut Creek Business Park III | Industrial | — | 679 | 3,284 | 1,325 | 719 | 4,569 | 5,288 | 1,320 | 2001 | 2001 |
| Walnut Creek | Walnut Creek Business Park IV | Industrial | — | 2,038 | 2,152 | 1,452 | 2,083 | 3,559 | 5,642 | 1,690 | 2004 | 2004 |
| Walnut Creek | Walnut Creek Business Park V | Industrial | — | 1,718 | 3,302 | 602 | 1,718 | 3,904 | 5,622 | 911 | 2008 | 2008 |
| Romeoville, Illinois | | | | | | | | | | | | |
| Park 55 | Park 55 Bldg. 1 | Industrial | 7,459 | 6,433 | 7,857 | 1,030 | 6,433 | 8,887 | 15,320 | 2,591 | 2005 | 2005 |
| Crossroads Business | Crossroads 2 | Industrial | 7,506 | 2,938 | 9,839 | — | 2,938 | 9,839 | 12,777 | 605 | 1999 | 2010 |

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|--------------------------------|-------------------------------|----------------|--------|-------|--------|--------|-------|--------|--------|-------|------|------|
| Park Crossroads Business Park | Crossroads 5 | Industrial | — | 5,296 | 6,199 | — | 5,296 | 6,199 | 11,495 | 969 | 2009 | 2010 |
| Rosemont, Illinois | | | | | | | | | | | | |
| Riverway | Riverway MW II (Ground Lease) | Grounds | — | 586 | — | (100) | 486 | — | 486 | — | n/a | 2007 |
| Roseville, Minnesota | | | | | | | | | | | | |
| Roseville | I-35 Business Center 1 | Industrial | — | 1,655 | 6,048 | — | 1,655 | 6,048 | 7,703 | 50 | 1998 | 2010 |
| Roseville | I-35 Business Center 2 | Industrial | — | 1,373 | 4,220 | — | 1,373 | 4,220 | 5,593 | 39 | 2000 | 2010 |
| San Antonio, Texas | | | | | | | | | | | | |
| Not Applicable | Christus Santa Rosa MOB | Medical Office | — | 4,310 | 15,201 | — | 4,310 | 15,201 | 19,511 | — | 2006 | 2010 |
| Not Applicable | Christus Santa Rosa Hospital | Medical Office | 10,631 | 5,267 | 10,660 | — | 5,267 | 10,660 | 15,927 | — | 2005 | 2010 |
| Sandy Springs, Georgia | | | | | | | | | | | | |
| Center Pointe Medical I and II | Center Pointe I & II | Medical Office | — | 9,697 | 18,966 | 20,525 | 9,707 | 39,481 | 49,188 | 7,957 | 2010 | 2007 |
| Savannah, Georgia | | | | | | | | | | | | |
| Gulfstream Road | 198 Gulfstream | Industrial | 5,364 | 549 | 3,805 | 154 | 549 | 3,959 | 4,508 | 638 | 1997 | 2000 |
| Gulfstream Road | 194 Gulfstream | Industrial | 353 | 412 | 2,514 | 15 | 412 | 2,529 | 2,941 | 403 | 1998 | 2000 |
| Gulfstream Road | 190 Gulfstream | Industrial | 1,051 | 689 | 4,916 | — | 689 | 4,916 | 5,605 | 1,055 | 1999 | 2000 |
| Grange Road | 250 Grange Rd | Industrial | 3,118 | 928 | 8,648 | 7 | 928 | 8,655 | 9,583 | 1,663 | 2002 | 2000 |
| Grange Road | 248 Grange Rd | Industrial | 1,328 | 664 | 3,496 | 8 | 664 | 3,504 | 4,168 | 679 | 2002 | 2000 |
| SPA Park | 80 Coleman Blvd. | Industrial | 1,322 | 782 | 2,962 | 12 | 782 | 2,974 | 3,756 | 483 | 2002 | 2000 |
| Crossroads (Savannah) | 163 Portside Court | Industrial | 20,205 | 8,433 | 8,366 | 20 | 8,433 | 8,386 | 16,819 | 2,864 | 2004 | 2000 |
| Crossroads (Savannah) | 151 Portside Court | Industrial | 2,592 | 966 | 7,155 | 58 | 966 | 7,213 | 8,179 | 1,101 | 2003 | 2000 |
| Crossroads (Savannah) | 175 Portside Court | Industrial | 11,900 | 4,300 | 15,696 | 67 | 4,301 | 15,762 | 20,063 | 3,485 | 2005 | 2000 |
| Crossroads (Savannah) | 150 Portside Court | Industrial | — | 3,071 | 23,001 | 1,295 | 3,071 | 24,296 | 27,367 | 4,989 | 2001 | 2000 |

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Duke Realty Corporation
Real Estate and Accumulated Depreciation
December 31, 2011
(in thousands)

Schedule III

| | | Initial Cost | | | | Cost Capitalized Subsequent to Development or Acquisition | | Gross Book Value 12/31/11 | | Accumulated Depr. |
|-------------------------------|--------------------------------|---------------|--------------|-------|-----------|---|------------------------|---------------------------|--------|-------------------|
| Development | Name | Building Type | Encumbrances | Land | Buildings | Land/Land Improvements | Buildings/Improvements | Total (1) | | |
| Crossroads (Savannah) | 235 Jimmy Deloach Parkway | Industrial | — | 1,074 | 8,442 | 44 | 1,074 | 8,486 | 9,560 | 1,643 |
| Crossroads (Savannah) | 239 Jimmy Deloach Parkway | Industrial | — | 1,074 | 7,141 | 37 | 1,074 | 7,178 | 8,252 | 1,406 |
| Crossroads (Savannah) | 246 Jimmy Deloach Parkway | Industrial | 3,244 | 992 | 5,383 | 64 | 992 | 5,447 | 6,439 | 1,072 |
| Crossroads (Savannah) | 200 Ocean Link Way | Industrial | 6,235 | 878 | 10,021 | 90 | 883 | 10,106 | 10,989 | 1,372 |
| Westport - Savannah | 2509 Dean Forest Rd - Westport | Industrial | — | 2,392 | 8,303 | 53 | 2,392 | 8,356 | 10,748 | 333 |
| Port of Savannah | 276 Jimmy Deloach Land | Grounds | — | 2,267 | — | 3 | 2,270 | — | 2,270 | 266 |
| Sea Brook, Texas | | | | | | | | | | |
| Not Applicable | Bayport Logistics Center | Industrial | — | 2,629 | 13,284 | — | 2,629 | 13,284 | 15,913 | 719 |
| Seven Hills, Ohio | | | | | | | | | | |
| Rock Run Business Campus | Rock Run North | Office | — | 837 | 5,250 | (2,314) | 837 | 2,936 | 3,773 | 2,236 |
| Rock Run Business Campus | Rock Run Center | Office | — | 1,046 | 6,467 | (2,991) | 1,046 | 3,476 | 4,522 | 2,849 |
| Shakopee, Minnesota | | | | | | | | | | |
| Minneapolis Valley West | MN Valley West | Industrial | — | 1,496 | 6,309 | — | 1,496 | 6,309 | 7,805 | 48 |
| Sharonville, Ohio | | | | | | | | | | |
| Mosteller Distribution Center | Mosteller Distribution Ctr. I | Industrial | — | 1,275 | 5,161 | 3,549 | 1,275 | 8,710 | 9,985 | 4,289 |

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| | | | | | | | | | | |
|---|---|-------------------|---|-------|--------|-------|-------|--------|--------|-------|
| Mosteller Distribution Center | Mosteller Distribution Ctr. II | Industrial | — | 828 | 3,718 | 1,783 | 828 | 5,501 | 6,329 | 2,537 |
| Snellville, Georgia Emory Eastside MOB | New Hampton Place | Medical Office | — | 27 | 6,076 | 90 | 27 | 6,166 | 6,193 | 190 |
| St. John, Indiana Not Applicable | Hammond Clinic St. John (3) | Medical Office | — | — | 2,791 | — | — | 2,791 | 2,791 | — |
| St. Louis Park, Minnesota Minneapolis West Minneapolis West | Chilies Ground Lease Olive Garden Ground Lease | Grounds | — | 921 | — | 157 | 1,078 | — | 1,078 | 71 |
| | | Grounds | — | 921 | — | 114 | 1,035 | — | 1,035 | 83 |
| St. Louis, Missouri Lakeside Crossing | Lakeside Crossing Building One | Industrial | — | 547 | 1,572 | 576 | 431 | 2,264 | 2,695 | 1,040 |
| Lakeside Crossing | Lakeside Crossing Building II | Industrial | — | 732 | 1,964 | 20 | 731 | 1,985 | 2,716 | 1,154 |
| Lakeside Crossing | Lakeside Crossing Building III | Industrial | — | 1,784 | 3,986 | 374 | 1,502 | 4,642 | 6,144 | 1,588 |
| Lakeside Crossing | Lakeside Crossing V | Office | — | 703 | 1,130 | 17 | 703 | 1,147 | 1,850 | 403 |
| Laumeier Office Park | Laumeier I | Office | — | 1,384 | 8,326 | 4,826 | 1,220 | 13,316 | 14,536 | 5,635 |
| Laumeier Office Park | Laumeier II | Office | — | 1,421 | 9,065 | 2,538 | 1,258 | 11,766 | 13,024 | 5,842 |
| Laumeier Office Park | Laumeier IV | Office | — | 1,029 | 6,142 | 1,673 | 1,029 | 7,815 | 8,844 | 2,782 |
| Maryville Center | 530 Maryville Centre | Office | — | 2,219 | 14,167 | 3,186 | 2,219 | 17,353 | 19,572 | 6,635 |
| Maryville Center | 550 Maryville Centre | Office | — | 1,996 | 12,447 | 2,475 | 1,996 | 14,922 | 16,918 | 6,290 |
| Maryville Center | 635-645 Maryville Centre | Office | — | 3,048 | 16,842 | 4,226 | 3,048 | 21,068 | 24,116 | 7,451 |
| | | Office | — | 1,860 | 13,067 | 2,359 | 1,860 | 15,426 | 17,286 | 5,780 |

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| | | | | | | | | | | |
|-------------------------|------------------------------|------------|---|-------|--------|-------|-------|--------|--------|-------|
| Maryville Center | 655 Maryville Centre | | | | | | | | | |
| Maryville Center | 540 Maryville Centre | Office | — | 2,219 | 13,741 | 2,618 | 2,219 | 16,359 | 18,578 | 6,507 |
| Maryville Center | 520 Maryville Centre | Office | — | 2,404 | 13,955 | 1,540 | 2,404 | 15,495 | 17,899 | 5,332 |
| Maryville Center | 625 Maryville Centre | Office | — | 2,509 | 10,956 | 724 | 2,509 | 11,680 | 14,189 | 3,797 |
| Westport Place | Westport Center I | Industrial | — | 1,707 | 4,730 | 1,023 | 1,707 | 5,753 | 7,460 | 2,593 |
| Westport Place | Westport Center II | Industrial | — | 914 | 1,924 | 425 | 914 | 2,349 | 3,263 | 1,082 |
| Westport Place | Westport Center III | Industrial | — | 1,206 | 2,651 | 855 | 1,206 | 3,506 | 4,712 | 1,396 |
| Westport Place | Westport Center V | Industrial | — | 493 | 1,274 | 89 | 493 | 1,363 | 1,856 | 505 |
| Westport Place | Westport Place | Office | — | 1,990 | 5,478 | 2,146 | 1,990 | 7,624 | 9,614 | 3,538 |
| Westmark | Westmark | Office | — | 1,497 | 9,173 | 2,846 | 1,342 | 12,174 | 13,516 | 5,224 |
| Westview Place | Westview Place | Office | — | 669 | 7,544 | 4,332 | 669 | 11,876 | 12,545 | 5,749 |
| Woodsmill Commons | Woodsmill Commons II (400) | Office | — | 1,718 | 7,164 | 1,002 | 1,718 | 8,166 | 9,884 | 2,297 |
| Woodsmill Commons | Woodsmill Commons I (424) | Office | — | 1,836 | 7,007 | 1,325 | 1,836 | 8,332 | 10,168 | 2,417 |
| Stafford, Texas | | | | | | | | | | |
| Stafford | Stafford Distribution Center | Industrial | — | 3,502 | 5,433 | 3,197 | 3,502 | 8,630 | 12,132 | 2,080 |
| Sterling, Virginia | | | | | | | | | | |
| TransDulles Centre | 22800 Davis Drive | Office | — | 2,550 | 11,250 | 114 | 2,550 | 11,364 | 13,914 | 1,890 |
| TransDulles Centre | 22714 Glenn Drive | Industrial | — | 3,973 | 4,422 | 1,015 | 3,973 | 5,437 | 9,410 | 1,285 |
| Suffolk, Virginia | | | | | | | | | | |
| Northgate Commerce Park | 101 Industrial Dr, Bldg. A | Industrial | — | 1,558 | 8,230 | 11 | 1,558 | 8,241 | 9,799 | 945 |
| Northgate Commerce Park | 103 Industrial Dr | Industrial | — | 1,558 | 8,230 | — | 1,558 | 8,230 | 9,788 | 945 |

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Sumner,
Washington
Not
Applicable

Sumner
Transit

Industrial 16,241 16,032 5,935 278 16,032 6,213 22,245 1,792

Sunrise,
Florida

Sawgrass
Pointe

Sawgrass -
Bldg B

Office

— 1,211 4,389 1,994 1,211 6,383 7,594 1,859

Sawgrass
Pointe

Sawgrass -
Bldg A

Office

— 1,147 3,875 399 1,147 4,274 5,421 1,193

Sawgrass
Pointe

Sawgrass
Pointe I

Office

— 3,484 21,132 8,534 3,484 29,666 33,150 11,065

Sawgrass
Pointe

Sawgrass
Pointe II

Office

— 3,481 11,973 (63) 3,481 11,910 15,391 2,684

Suwanee,
Georgia

Horizon
Business
Center

90 Horizon
Drive

Industrial

— 180 1,277 — 180 1,277 1,457 72

Horizon
Business
Center

225 Horizon
Drive

Industrial

— 457 2,089 — 457 2,089 2,546 125

Horizon
Business
Center

250 Horizon
Drive

Industrial

— 1,625 6,653 — 1,625 6,653 8,278 496

Horizon
Business
Center

70 Crestridge
Drive

Industrial

— 956 3,657 — 956 3,657 4,613 265

Horizon
Business
Center

2780 Horizon
Ridge

Industrial

— 1,143 5,834 — 1,143 5,834 6,977 365

Horizon
Business
Center

2800 Vista
Ridge Dr

Industrial

— 1,557 2,651 — 1,557 2,651 4,208 304

Horizon
Business
Center

25 Crestridge
Dr

Industrial

— 723 2,736 — 723 2,736 3,459 149

Horizon
Business
Center

Genera Corp.
BTS

Industrial

— 1,505 4,958 — 1,505 4,958 6,463 358

Northbrook

1000
Northbrook
Parkway

Industrial

— 756 4,034 — 756 4,034 4,790 246

Tampa,
Florida

Fairfield
Distribution
Center

Fairfield
Distribution
Ctr I

Industrial

1,522 483 2,568 138 487 2,702 3,189 856

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| | | | | | | | | | | |
|--|--------------------------------|------------|-------|--------|-------|----------|--------|--------|--------|-------|
| Fairfield Distribution Center | Fairfield Distribution Ctr II | Industrial | 2,770 | 530 | 4,848 | 124 | 534 | 4,968 | 5,502 | 1,575 |
| Fairfield Distribution Center | Fairfield Distribution Ctr III | Industrial | 1,578 | 334 | 2,745 | 134 | 338 | 2,875 | 3,213 | 902 |
| Fairfield Distribution Center | Fairfield Distribution Ctr IV | Industrial | 1,697 | 600 | 1,603 | 1,286 | 604 | 2,885 | 3,489 | 958 |
| Fairfield Distribution Center | Fairfield Distribution Ctr V | Industrial | 1,764 | 488 | 2,635 | 263 | 488 | 2,898 | 3,386 | 885 |
| Fairfield Distribution Center | Fairfield Distribution Ctr VI | Industrial | 2,623 | 555 | 3,603 | 839 | 555 | 4,442 | 4,997 | 1,151 |
| Fairfield Distribution Center | Fairfield Distribution Ctr VII | Industrial | 1,528 | 394 | 1,857 | 791 | 394 | 2,648 | 3,042 | 700 |
| Fairfield Distribution Center | Fairfield Distrib. Ctr. VIII | Industrial | 1,882 | 1,082 | 2,071 | 412 | 1,082 | 2,483 | 3,565 | 796 |
| Eagle Creek Business Center | Eagle Creek Business Ctr. I | Industrial | — | 3,705 | 3,072 | 1,040 | 3,705 | 4,112 | 7,817 | 1,822 |
| Eagle Creek Business Center | Eagle Creek Business Ctr. II | Industrial | — | 2,354 | 2,272 | 969 | 2,354 | 3,241 | 5,595 | 1,257 |
| Eagle Creek Business Center | Eagle Creek Business Ctr. III | Industrial | — | 2,332 | 2,237 | 1,731 | 2,332 | 3,968 | 6,300 | 1,072 |
| Titusville, Florida Retail Development | Crossroads Marketplace | Retail | — | 12,678 | 4,451 | (3,034) | 11,922 | 2,173 | 14,095 | 2,921 |
| West Chester, Ohio Centre Pointe Office Park | Centre Pointe I | Office | — | 2,501 | 7,466 | 871 | 2,501 | 8,337 | 10,838 | 1,984 |
| Centre Pointe Office Park | Centre Pointe II | Office | — | 2,056 | 8,125 | 668 | 2,056 | 8,793 | 10,849 | 1,966 |
| Centre Pointe Office Park | Centre Pointe III | Office | — | 2,048 | 7,705 | 2,049 | 2,048 | 9,754 | 11,802 | 2,166 |
| Centre Pointe Office Park | Centre Pointe IV | Office | — | 2,013 | 9,017 | 1,540 | 2,932 | 9,638 | 12,570 | 3,215 |
| Centre Pointe Office Park | Centre Pointe VI | Office | — | 2,759 | 8,266 | 3,879 | 2,759 | 12,145 | 14,904 | 2,349 |
| World Park at Union Centre | World Park at Union Centre 10 | Industrial | — | 2,150 | 5,503 | 7,408 | 2,151 | 12,910 | 15,061 | 4,244 |

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| | | | | | | | | | |
|---|-------------------------------|-------------|--------|--------|-------|--------|--------|--------|-------|
| World Park at Union Centre | World Park at Union Centre 11 | Industrial— | 2,592 | 6,923 | 47 | 2,592 | 6,970 | 9,562 | 2,740 |
| World Park at Union Centre | World Park at Union Centre 1 | Industrial— | 300 | 3,008 | 4 | 300 | 3,012 | 3,312 | 278 |
| World Park at Union Centre | World Park at Union Centre 2 | Industrial— | 287 | 2,397 | — | 287 | 2,397 | 2,684 | 184 |
| World Park at Union Centre | World Park at Union Centre 3 | Industrial— | 1,125 | 6,042 | — | 1,125 | 6,042 | 7,167 | 343 |
| World Park at Union Centre | World Park at Union Centre 4 | Industrial— | 335 | 2,085 | — | 335 | 2,085 | 2,420 | 146 |
| World Park at Union Centre | World Park at Union Centre 5 | Industrial— | 482 | 2,528 | — | 482 | 2,528 | 3,010 | 168 |
| World Park at Union Centre | World Park at Union Centre 6 | Industrial— | 1,219 | 6,415 | — | 1,219 | 6,415 | 7,634 | 357 |
| World Park at Union Centre | World Park at Union Centre 7 | Industrial— | 1,918 | 5,230 | — | 1,918 | 5,230 | 7,148 | 433 |
| World Park at Union Centre | World Park at Union Centre 8 | Industrial— | 1,160 | 6,134 | — | 1,160 | 6,134 | 7,294 | 392 |
| World Park at Union Centre | World Park at Union Centre 9 | Industrial— | 1,189 | 6,172 | — | 1,189 | 6,172 | 7,361 | 430 |
| West Chicago, Illinois West Chicago Industrial | 1250 Carolina Drive | Industrial— | 1,246 | 4,453 | — | 1,246 | 4,453 | 5,699 | 57 |
| West Jefferson, Ohio Park 70 at West Jefferson | Restoration Hardware BTS | Industrial— | 6,454 | 24,812 | 2,443 | 6,510 | 27,199 | 33,709 | 4,065 |
| Park 70 at West Jefferson | 15 Commerce Parkway | Industrial— | 10,439 | 27,143 | 12 | 10,439 | 27,155 | 37,594 | 479 |
| West Palm Beach, Florida | | Industrial— | 1,635 | 2,486 | — | 1,635 | 2,486 | 4,121 | 113 |

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| | | | | | | | | | | |
|------------------------------------|---|------------|-----------|-----------|-----------|---------|-----------|-----------|-----------|-----------|
| Duke Realty Park of Commerce | Park of Commerce 1 | | | | | | | | | |
| Duke Realty Park of Commerce | Park of Commerce 3 | Industrial | — | 2,160 | 4,340 | — | 2,160 | 4,340 | 6,500 | 227 |
| Duke Realty Airport Center | Airport Center 1 | Industrial | 5,357 | 2,437 | 6,212 | — | 2,437 | 6,212 | 8,649 | 300 |
| Duke Realty Airport Center | Airport Center 2 | Industrial | 3,862 | 1,706 | 4,632 | — | 1,706 | 4,632 | 6,338 | 219 |
| Duke Realty Airport Center | Airport Center 3 | Industrial | 3,844 | 1,500 | 4,750 | — | 1,500 | 4,750 | 6,250 | 212 |
| Duke Realty Park of Commerce | Park of Commerce #4 | Grounds | 5,746 | 5,934 | — | — | 5,934 | — | 5,934 | 3 |
| Duke Realty Park of Commerce | Park of Commerce #5 | Grounds | 6,048 | 6,308 | — | — | 6,308 | — | 6,308 | 3 |
| Whitestown, Indiana | | | | | | | | | | |
| AllPoints at Anson | AllPoints Anson Bldg 14 | Industrial | — | 2,127 | 8,155 | — | 2,127 | 8,155 | 10,282 | 85 |
| Zionsville, Indiana | | | | | | | | | | |
| Anson | Marketplace at Anson | Retail | — | 2,147 | 2,642 | 2,085 | 2,147 | 4,727 | 6,874 | 981 |
| | Accum. Depr. on Improvements of Undeveloped Land | | — | — | — | — | — | — | — | 14,186 |
| | Eliminations | | — | — | — | (923) | (16) | (907) | (923) | (1,348) |
| | | | 1,173,233 | 1,189,845 | 4,238,148 | 610,114 | 1,213,349 | 4,824,758 | 6,038,107 | 1,127,507 |

- (1) The tax basis (in thousands) of our real estate assets at December 31, 2011 was approximately \$6,243,507 for federal income tax purposes.
- Depreciation of real estate is computed using the straight-line method over 40 years for buildings and 15 years for land improvements for properties that we develop, 30 years for buildings and 10 years for land improvements for properties that we acquire, and shorter periods based on lease terms (generally 3 to 10 years) for tenant improvements.
- We hold legal title to these buildings but, for accounting purposes, are treated as direct financing leases. Due to being immaterial for separate presentation, we have classified these buildings within real estate investments and have included them in this schedule.
- (3)

Real Estate Assets

Accumulated Depreciation

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| | 2011 | 2010 | 2009 | 2011 | 2010 | 2009 |
|---|--------------|-------------|-------------|-------------|-------------|-------------|
| Balance at beginning of year | \$7,032,889 | \$6,390,119 | \$6,297,922 | \$1,406,437 | \$1,311,733 | \$1,167,113 |
| Acquisitions | 669,631 | 449,530 | 29,726 | | | |
| Construction costs and tenant improvements | 184,533 | 162,301 | 307,157 | | | |
| Depreciation expense | | | | 267,222 | 271,058 | 266,803 |
| Consolidation of previously unconsolidated properties | 5,988 | 530,573 | 176,038 | | | |
| | 7,893,041 | 7,532,523 | 6,810,843 | 1,673,659 | 1,582,791 | 1,433,916 |
| Deductions during year: | | | | | | |
| Cost of real estate sold or contributed | (1,774,576) | (421,325) | (258,854) | (465,353) | (97,699) | (32,087) |
| Impairment Allowance | — | — | (71,774) | | | |
| Write-off of fully amortized assets | (80,358) | (78,309) | (90,096) | (80,711) | (78,655) | (90,096) |
| Balance at end of year | \$6,038,107 | \$7,032,889 | \$6,390,119 | \$1,127,595 | \$1,406,437 | \$1,311,733 |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DUKE REALTY CORPORATION

February 24, 2012

By: /s/ Dennis D. Oklak
Dennis D. Oklak
Chairman and Chief Executive Officer

By: /s/ Christie B. Kelly
Christie B. Kelly
Executive Vice President and Chief Financial Officer

By: /s/ Mark A. Denien
Mark A. Denien
Senior Vice President and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature | Date | Title |
|---|-----------|----------|
| /s/ Thomas J. Baltimore, Jr.* Thomas J. Baltimore, Jr. | 1/25/2012 | Director |
| /s/ Barrington H. Branch* Barrington H. Branch | 1/25/2012 | Director |
| /s/ Geoffrey A. Button* Geoffrey A. Button | 1/25/2012 | Director |
| /s/ William Cavanaugh III* William Cavanaugh III | 1/25/2012 | Director |
| /s/ Alan H. Cohen* Alan H. Cohen | 1/25/2012 | Director |
| /s/ Ngaire E. Cuneo* Ngaire E. Cuneo | 1/25/2012 | Director |
| /s/ Charles R. Eitel* Charles R. Eitel | 1/25/2012 | Director |
| /s/ Martin C. Jischke, PhD* Martin C. Jischke, PhD | 1/25/2012 | Director |
| /s/ Peter M. Scott III* Peter M. Scott III | 1/25/2012 | Director |
| /s/ Jack R. Shaw* Jack R. Shaw | 1/25/2012 | Director |
| /s/ Lynn C. Thurber* Lynn C. Thurber | 1/25/2012 | Director |
| /s/ Robert J. Woodward, Jr.* Robert J. Woodward, Jr. | 1/25/2012 | Director |

* By Dennis D. Oklak, Attorney-in-Fact

/s/ Dennis D. Oklak