DUKE REALTY CORP
Form 10-K405
March 15, 2002

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2001

OR

o **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

State of Incorporation:	IRS Employer ID Number:
Indiana	**35-1740409**

600 East 96th Street, Suite 100
Indianapolis, Indiana 46240

Telephone: **(317) 808-6000**

(Address, including zip code and telephone number, including area code, of principal executive offices)

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

Title of each class:	**Name of each exchange on which registered:**
Common Stock ($.01 par value)	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange
Depositary Shares, each representing a 1/10 interest in 7.375% Series D Convertible Cumulative Redeemable Preferred Shares ($.01 par value)	New York Stock Exchange
Depositary Shares, each representing a 1/10 interest in 8.25% Series E Cumulative Redeemable Preferred Shares ($.01 par value)	New York Stock Exchange
Preference Shares, each representing a 1/1000 interest in 8.00% Series F Cumulative Redeemable Preferred Shares ($.01 par value)	New York Stock Exchange
Preference Shares, each representing a 1/1000 interest in 8.625% Series H Cumulative Redeemable Preferred Shares ($.01 par value)	New York Stock Exchange
Depositary Shares, each representing a 1/10 interest in 8.45% Series I Cumulative Redeemable Preferred Shares ($.01 par value)	New York Stock Exchange

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

Depositary Shares, each representing a 1/10 interest in 7.99% Series B Cumulative Redeemable Preferred Shares ($.01 par value)

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 ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 Regulation S-K 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. ý

The aggregate market value of the voting shares of the Registrant s outstanding common shares held by non-affiliates of the Registrant is $3.1 billion based on the last reported sale price on March 1, 2002.

The number of Common Shares outstanding as of March 1, 2002 was 131,778,894 ($.01 par value).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant s Definitive Proxy Statement for its 2002 Annual Meeting of Shareholders to be held on April 24, 2002, are incorporated by reference in Part III of this Annual Report on Form 10-K.

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Form 10-K

PART I

Item 1. Business

Duke Realty Corporation (the Company) is a self-administered and self-managed real estate investment trust (REIT). The Company began operations upon completion of its initial public offering in February 1986. In October 1993, the Company 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, 2001, the Company s diversified portfolio of 913 rental properties (including 25 properties totaling 4.7 million square feet under development) encompass over 107 million rentable square feet and are leased by a diverse and stable base of approximately 4,500 tenants whose businesses include manufacturing, retailing, wholesale trade, distribution and professional services. The Company also owns or controls more than 4,200 acres of unencumbered land ready for development.

The Company, through its Service Operations, also provides, on a fee basis, leasing, property and asset management, development, construction, build-to-suit, and other tenant-related services for approximately 400 tenants in over 8 million square feet of space at properties owned by third-party clients. With 13 primary operating platforms, the Company concentrates its activities in the Midwest and Southeast United States. See 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. The Company s rental operations are conducted through Duke Realty Limited Partnership (DRLP). In addition, the Company conducts its Service Operations through Duke Realty Services Limited Partnership (DRSLP) and Duke Construction Limited Partnership (DCLP), in which the Company s wholly-owned subsidiary, Duke Services, Inc., is the sole general partner. All references to the Company in this Form 10-K Report include the Company and those entities owned or controlled by the Company, unless the context indicates otherwise.

The Company s headquarters and executive offices are located in Indianapolis, Indiana. In addition, the Company has twelve regional offices located in Atlanta, Georgia; Cincinnati, Ohio; Columbus, Ohio; Cleveland, Ohio; Chicago, Illinois; Dallas, Texas; Minneapolis, Minnesota; Nashville, Tennessee; Orlando, Florida; Raleigh, North Carolina; St. Louis, Missouri and Tampa, Florida. The Company had 1,050 employees as of December 31, 2001.

Business Strategy

The Company s business objective is to increase its Funds From Operations (FFO) by (i) maintaining and increasing property occupancy and rental rates through the aggressive management of its portfolio of existing properties; (ii) expanding existing properties; (iii) developing and acquiring new properties; and (iv) providing a full line of real estate services to the Company s tenants and to third-parties. FFO is defined by the National Association of Real Estate Investment Trusts as net income or loss, excluding gains or losses from debt restructuring and sales of depreciated property, plus operating property depreciation and amortization and adjustments for minority interest and unconsolidated companies on the same basis. While management believes that FFO is a relevant measure of the Company s operating performance because it is widely used by industry analysts to measure the operating performance of equity REITs, such amount does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered as an alternative to net income as an indicator of the Company s operating performance, and is not indicative of cash available to fund all cash flow needs. As a fully integrated commercial real estate firm, the Company believes that its in-house leasing, management,

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development and construction services and the Company s significant base of commercially zoned and unencumbered land in existing business parks should give the Company a competitive advantage in its future development activities.

The Company believes that the analysis of real estate opportunities and risks can be done most effectively at regional or local levels. As a result, the Company intends to continue its emphasis on increasing its market share and effective rents in its primary markets where it owns properties. The Company also expects to utilize its more than 4,200 acres of unencumbered land and its many business relationships with nearly 4,500 commercial tenants to expand its build-to-suit business (development projects substantially pre-leased to a single tenant) and to pursue other development and acquisition opportunities in its primary markets. The Company believes that this regional focus will allow it to assess market supply and demand for real estate more effectively as well as to capitalize on its strong relationships with its tenant base.

The Company s policy is to seek to develop and acquire Class A commercial properties located in markets with high growth potential for Fortune 500 companies and other quality regional and local firms. The Company s industrial and suburban office development focuses on business parks and mixed-use developments suitable for development of multiple projects on a single site where the Company can create and control the business environment. These business parks and mixed-use developments generally include restaurants and other amenities which the Company believes will create an atmosphere that is particularly efficient and desirable. The Company s retail development focuses on community, power and neighborhood centers in its existing markets. As a fully integrated real estate company, the Company is able to arrange for or provide to its industrial, office and retail tenants not only well located and well maintained facilities, but also additional services such as build-to-suit construction, tenant finish construction, expansion flexibility and advertising and marketing services.

All of the Company s properties are located in areas that include competitive properties. Such properties are generally owned by institutional investors, other REITs or local real estate operators; however, no single competitor or small group of competitors is dominant in the Company s current markets. The supply and demand of similar available rental properties may affect the rental rates the Company will receive on its properties.

Financing Strategy

The Company seeks to maintain a well-balanced, conservative and flexible capital structure by: (i) currently targeting a ratio of long-term debt to total market capitalization in the range of 25% to 40%; (ii) extending and sequencing the maturity dates of its debt; (iii) borrowing primarily at fixed rates; (iv) generally pursuing current and future long-term debt financings and refinancings on an unsecured basis; and (v) maintaining conservative debt service and fixed charge coverage ratios. Management believes that these strategies have enabled and should continue to enable the Company to access the debt and equity capital markets for their long-term requirements such as debt refinancings and financing development and acquisitions of additional rental properties. In addition, as discussed under Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations, the Company has $650 million in unsecured lines of credit and a $100 million secured line of credit available for short-term fundings of development and acquisition of additional rental properties. In addition to debt and equity capital markets, the Company has developed a strategy to pursue favorable opportunities to dispose of assets that no longer meet the Company s long-term investment criteria and re-deploy the proceeds into new investments that the Company believes have excellent long-term growth prospects. See additional discussion under Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations. The

Company s debt to total market capitalization ratio (total market capitalization is defined as the total market value of all outstanding Common and Preferred Shares and units of limited partnership interest (Units) in DRLP plus outstanding indebtedness) at December 31, 2001 was 29.5%. The Company s ratio of earnings to debt service and ratio of earnings to fixed charges for the year ended December 31, 2001 were 2.82x and 1.99x, respectively. In computing the ratio of earnings to debt service, earnings have been calculated by adding debt service to income before gains or losses on property sales and minority interest in earnings of DRLP. Debt service consists of interest expense and recurring principal amortization (excluding maturities) and excludes amortization of debt issuance costs. In computing the ratio of earnings to fixed charges, earnings have been calculated by adding fixed charges, excluding capitalized interest, to income before gains or losses on property sales and minority interest in earnings of DRLP. Fixed charges consist of interest costs, whether expensed or capitalized, the interest component of rental expense, amortization of debt issuance costs and preferred stock dividend requirements.

Other

The Company s operations are not dependent on a single or few customers as no single customer accounts for more than 1.7% of the Company s total revenue. The Company s operations are not subject to any significant seasonal fluctuations. The Company believes it is in compliance with environmental regulations and does not anticipate material effects of continued compliance.

For additional information regarding the Company s 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 the Company s business segments, see Item 8, Financial Statements and Supplementary Data.

Item 2. Properties

Product Review

As of December 31, 2001, the Company owns an interest in a diversified portfolio of 913 commercial properties encompassing over 107 million net rentable square feet (including 25 properties comprising 4.7 million square feet under development) and more than 4,200 acres of land for future development.

Industrial Properties: The Company owns interests in 663 industrial properties encompassing approximately 81.8 million square feet (76% of total square feet) more specifically described as follows:

Bulk Warehouses Industrial warehouse/distribution buildings with clear ceiling heights of 20 feet or more. The Company owns 435 buildings totaling 67.8 million square feet of such properties.

Service Centers Also known as flex buildings or light industrial, this product type has 12-18 foot clear ceiling heights and a combination of drive-up and dock-height loading access. The Company owns 228 buildings totaling 14.0 million square feet of such properties.

Office Properties: The Company owns interests in 239 office buildings totaling approximately 25.0 million square feet (23% of total square feet) more specifically described as follows:

Suburban Office The Company owns 235 suburban office buildings totaling 24.1 million square feet.

CBD Office The Company owns four downtown office projects totaling approximately 861,000 square feet.

Retail Properties: The Company owns interests in 11 retail projects totaling approximately 840,000 square feet (1% of total square feet). These properties encompass both power and neighborhood shopping centers.

Land: The Company owns or controls more than 4,200 acres of land located primarily in its existing business parks. The land is ready for immediate use and is unencumbered by debt. Over 64 million square feet of additional space can be developed on these sites and all of the land is zoned for either office, industrial or retail development.

Service Operations: The Company provides property and asset management, development, leasing and construction services to third party owners in addition to its own properties. The Company s current property management base for third parties includes over 8.6 million square feet of properties serving approximately 400 tenants.

Property Descriptions

The Company s properties are described on the following pages:

Project Name/ Location	Ownership Interest	Company s Interest	Year Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
In-Service						
Industrial						
Lake Mary, FL						
Technology Park I	Fee	100%	1986	5.51	60,711	94%
Technology Park II	Fee	100%	1998	6.20	67,185	100%
Technology Park III	Fee	100%	1998	5.16	54,590	100%
Technology Park IV	Fee	100%	1999	6.00	68,726	100%
Technology Park V	Fee	100%	1999	5.00	46,481	100%
Lakeland, FL						
Lakeland Interstate Park I	Fee	100%	2001	9.95	166,800	0%
Miami, FL						
Beacon Station #22	Fee	50%[1]	1999	10.75	179,832	100%
Beacon Station #23	Fee	50%[1]	1999	10.75	179,832	100%
Beacon Station #24	Fee	50%[1]	1999	10.75	179,672	100%
Orlando, FL						
Lee Vista Distribution Ctr I	Fee	100%	1998	7.26	84,650	100%
Lee Vista Distribution Ctr II	Fee	100%	1999	7.04	86,316	84%
	Fee	100%	2000	5.30	52,800	0%

Lee Vista Service Center I						
Parksouth Dist. Ctr-Bldg B	Fee	100%	1996	7.50	140,015	100%
Parksouth Dist. Ctr-Bldg A	Fee	100%	1997	5.58	101,800	100%
Parksouth Dist. Ctr-Bldg D	Fee	100%	1998	6.32	118,250	100%
Parksouth Dist. Ctr-Bldg E	Fee	100%	1997	7.05	126,818	100%
Parksouth Dist. Ctr-Bldg F	Fee	100%	1999	10.88	203,900	100%
Parksouth Dist. Ctr-Bldg H	Fee	100%	2000	6.79	134,600	47%
Chase BTS-Orlando	Fee	100%	2000	5.60	61,413	100%
Tampa, FL						
Fairfield Distribution Ctr I	Fee	100%	1998	4.06	68,413	100%
Fairfield Distribution Ctr II	Fee	100%	1998	10.23	173,514	100%
Fairfield Distribution Ctr III	Fee	100%	1999	4.45	92,200	100%
Fairfield Distribution Ctr IV	Fee	100%	1999	6.00	86,458	100%
Fairfield Distribution Ctr V	Fee	100%	2000	6.72	101,100	56%
Fairfield Distribution Ctr VI	Fee	100%	2001	7.80	156,500	46%
Fairfield Distribution Ctr VII	Fee	100%	2001	4.81	90,640	36%
Alpharetta, GA						
NMeadow SC I @ Founders	Fee	100%	1999	9.10	112,559	86%
NMeadow SC II @ Founders	Fee	100%	2001	7.96	89,618	0%
11800 Wills Road	Fee	100%	1987	3.79	42,691	100%
11810 Wills Road	Fee	100%	1987	3.68	59,334	100%
11820 Wills Road	Fee	100%	1987	6.06	103,222	100%
11415 Old Roswell Road	Fee	100%	1991	8.08	80,000	100%
1350 Northmeadow Parkway	Fee	100%	1994	6.40	64,500	100%
1320 Ridgeland Pkwy	Fee	100%	1999	10.39	125,000	100%
Ridgeland Business Dist I	Fee	100%	1999	6.03	73,600	100%
Ridgeland Business Dist. II	Fee	100%	1999	7.15	78,400	83%
Braselton, GA						
Braselton II	Fee	100%	2001	23.64	520,570	0%
Duluth, GA						
2475 Meadowbrook Parkway	Fee	100%	1986	6.07	59,086	100%
2505 Meadowbrook Parkway	Fee	100%	1990	3.36	53,481	100%
	Fee	50%[1]	1989	4.26	68,400	100%

2450 Meadowbrook
Parkway

Project Name/ Location	Ownership Interest	Company s Interest	Year Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
2500 Meadowbrook Parkway	Fee	50%[1]	1987	4.50	68,800	100%
2825 Breckinridge Blvd	Fee	100%	1986	6.80	45,442	67%
2875 Breckinridge Blvd	Fee	100%	1986	8.75	57,918	100%
2885 Breckinridge Blvd	Fee	100%	1997	8.85	80,450	100%
2625 Pinemeadow Court	Fee	50%[1]	1994	9.57	139,540	100%
2660 Pinemeadow Court	Fee	50%[1]	1996	6.00	104,000	100%
3450 River Green Court	Fee	100%	1989	4.20	33,600	100%
2775 Premiere Parkway	Fee	100%	1997	6.20	79,110	100%
3079 Premiere Parkway	Fee	100%	1998	9.70	101,600	94%
Sugarloaf Office I	Fee	100%	1998	11.58	90,350	100%
2850 Premiere Parkway	Fee	50%[1]	1997	7.50	86,000	100%
Sugarloaf Office II	Fee	50%[1]	1999	8.85	56,251	100%
Sugarloaf Office III	Fee	50%[1]	1999	5.39	56,795	90%
2855 Premiere Parkway	Fee	100%	1999	7.20	89,636	100%
Sugarloaf Office IV	Fee	100%	2000	4.87	51,031	100%
Sugarloaf Office V	Fee	100%	2001	5.82	61,903	74%
6655 Sugarloaf	Fee	100%	1998	18.40	250,000	100%
East Point, GA						
Camp Creek Bldg 1400	Fee	100%	1988	6.32	60,102	95%
Camp Creek Bldg 1800	Fee	100%	1989	3.70	44,846	100%
Camp Creek Bldg 2000	Fee	100%	1989	3.44	34,146	100%
Camp Creek Bldg 2400	Fee	100%	1988	4.81	61,318	100%
Camp Creek Bldg 2600	Fee	100%	1990	4.86	57,168	100%
Kennesaw, GA						
1950 Vaughn Street	Fee	100%	1992	15.47	162,651	100%
240 Northpoint Parkway	Fee	50%[1]	1995/1997	12.78	222,900	100%
Marietta, GA						
805 Franklin Court	Fee	100%	1983	3.13	40,410	100%
810 Franklin Court	Fee	100%	1983	2.42	27,386	100%
811 Livingston Court	Fee	100%	1983	1.58	20,780	100%
825 Franklin Court	Fee	100%	1983	3.58	55,259	100%
830 Franklin Court	Fee	100%	1983	1.03	14,340	100%
835 Franklin Court	Fee	100%	1983	3.93	60,772	100%
840 Franklin Court	Fee	100%	1983	2.42	35,908	100%
821 Livingston Court	Fee	100%	1983	1.59	15,558	83%
841 Livingston Court	Fee	100%	1983	2.75	35,908	100%
1335 Capital Circle	Fee	100%	1985	3.97	56,616	100%
1337-41-51 Capital Circle	Fee	100%	1985	7.38	80,164	87%

2260 Northwest Parkway	Fee	100%	1982	3.06	50,220	100%
2252 Northwest Parkway	Fee	100%	1982	0.95	14,435	84%
2242 Northwest Parkway	Fee	100%	1982	1.72	26,614	91%
2256 Northwest Parkway	Fee	100%	1982	0.84	13,265	85%
2244 Northwest Parkway	Fee	100%	1982	0.64	7,384	100%
2150 Northwest Parkway	Fee	100%	1982	2.90	46,214	89%
2152 Northwest Parkway	Fee	100%	1982	1.49	25,317	69%
2130 Northwest Parkway	Fee	100%	1982	3.51	55,325	100%
2270 Northwest Parkway	Fee	100%	1988	4.50	60,985	89%
2275 Northwest Parkway	Fee	100%	1988	2.60	35,786	90%
McDonough, GA						
120 Declaration Drive	Fee	100%	1997	14.70	301,200	70%
Liberty III	Fee	100%	2001	31.28	759,300	30%
Norcross, GA						
1750 Beaver Ruin	Fee	100%	1997	6.40	67,878	100%
4258 Communications Drive	Fee	100%	1981	3.00	57,000	0%
4261 Communications Drive	Fee	100%	1981	3.29	56,600	0%
4291 Communications Drive	Fee	100%	1981	1.76	31,500	100%
1826 Doan Way	Fee	100%	1984	3.90	57,200	100%
1857 Doan Way	Fee	100%	1970	5.00	16,000	100%
1650 International Blvd	Fee	100%	1984	3.79	52,461	4%
4245 International Blvd	Fee	100%	1985/1995	10.58	249,200	100%
4250 International Blvd	Fee	100%	1986	5.03	47,030	0%
4295 International Blvd	Fee	100%	1984	3.22	49,896	100%
4320 International Blvd	Fee	100%	1984	2.44	32,000	0%
4350 International Blvd	Fee	100%	1982	4.29	64,152	100%
4355 International Blvd	Fee	100%	1983	4.54	60,760	59%
4405A International Blvd	Fee	100%	1984	4.30	50,000	100%
4405B International Blvd	Fee	100%	1984	4.30	60,950	91%
4405C International Blvd	Fee	100%	1984	4.30	10,644	89%

Project Name/ Location	Ownership Interest	Year Company s Interest	Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
1828 Meca Way	Fee	100%	1975	3.90	63,000	100%
1858 Meca Way	Fee	100%	1975	3.36	58,600	100%
4316 Park Drive	Fee	100%	1980	2.76	50,000	100%
4357 Park Drive	Fee	100%	1979	4.89	65,800	100%
4386 Park Drive	Fee	100%	1973	3.73	54,848	100%
4436 Park Drive	Fee	100%	1968	3.90	66,232	100%
4437 Park Drive	Fee	100%	1978	4.40	73,456	100%
4467 Park Drive	Fee	100%	1978	4.68	66,203	100%
4487 Park Drive	Fee	100%	1978	4.68	89,204	100%
4274 Shackleford Road	Fee	100%	1974	6.18	80,822	100%
4344 Shackleford Road	Fee	100%	1975	3.85	52,924	100%
4355 Shackleford Road	Fee	100%	1972	8.12	137,100	100%
4364 Shackleford Road	Fee	100%	1973	2.12	31,040	100%
4366 Shackleford Road	Fee	100%	1981	3.30	56,709	100%
4388 Shackelford Road	Fee	100%	1981	5.40	89,612	100%
4400 Shackleford Road	Fee	100%	1981	2.30	39,004	100%
4444 Shackleford Road	Fee	100%	1979	5.20	85,200	100%
1505 Pavillion Place	Fee	100%	1988	5.11	78,400	100%
3883 Steve Reynolds Blvd.	Fee	100%	1990	7.00	137,061	100%
3890 Steve Reynolds Blvd	Fee	100%	1991	4.74	48,800	100%
3950 Steve Reynolds Blvd.	Fee	100%	1992	5.73	80,000	100%
2915 Courtyards Drive	Fee	100%	1986	3.82	40,058	87%
2925 Courtyards Drive	Fee	100%	1986	4.76	71,763	100%
2975 Courtyards Drive	Fee	100%	1986	2.05	27,342	100%
2995 Courtyards Drive	Fee	100%	1986	1.56	18,542	100%
2725 Northwoods Pkwy	Fee	100%	1984	4.40	76,686	56%
2755 Northwoods Pkwy	Fee	100%	1986	2.49	48,270	100%
2775 Northwoods Pkwy	Fee	100%	1986	3.22	32,192	100%
2850 Colonnades Court	Fee	100%	1988	8.03	102,128	100%
3040 Northwoods Pkwy	Fee	100%	1984	2.98	50,480	100%
3044 Northwoods Circle	Fee	100%	1984	2.38	24,367	100%
3055 Northwoods Pkwy	Fee	100%	1985	2.13	31,946	100%
3075 Northwoods Pkwy	Fee	100%	1985	3.74	41,400	100%
3100 Northwoods Pkwy	Fee	100%	1985	3.93	39,728	100%
3155 Northwoods Pkwy	Fee	100%	1985	3.31	40,530	100%
3175 Northwoods Pkwy	Fee	100%	1985	2.50	33,405	100%
6525-27 Jimmy Carter Blvd	Fee	100%	1983	5.62	92,735	55%
5765 Peachtree Industrial Blvd	Fee	100%	1997	4.73	60,000	100%
5775 Peachtree Industrial Blvd	Fee	100%	1997	4.73	60,000	100%

2450 Satellite Blvd	Fee	50%[1]	1994	6.18	102,862	100%
3170 Reps Miller Road	Fee	100%	1998	4.48	51,400	100%
3180 Reps Miller Road	Fee	100%	1998	4.48	51,400	33%
3190 Reps Miller Road	Fee	100%	1998	4.48	59,034	100%
Roswell, GA						
11545 Wills Road	Fee	100%	1998	8.70	71,140	100%
105 Hembree Park Drive	Fee	100%	1988	3.61	45,490	100%
150 Hembree Park Drive	Fee	100%	1985	5.03	44,343	0%
200 Hembree Park Drive	Fee	100%	1985	1.97	43,559	100%
645 Hembree Parkway	Fee	100%	1986	3.08	45,037	100%
655 Hembree Parkway	Fee	100%	1986	3.09	43,956	18%
250 Hembree Park Drive	Fee	100%	1996	8.07	94,500	71%
660 Hembree Park Drive	Fee	100%	1998	9.23	94,500	100%
993 Mansell Road	Fee	100%	1987	1.69	21,600	100%
995 Mansell Road	Fee	100%	1987	0.97	16,800	100%
997 Mansell Road	Fee	100%	1987	0.86	14,400	100%
999 Mansell Road	Fee	100%	1987	1.32	19,200	100%
1003 Mansell Road	Fee	100%	1987	1.66	20,800	100%
1005 Mansell Road	Fee	100%	1987	0.94	16,800	100%
1007 Mansell Road	Fee	100%	1987	2.07	37,450	66%
1009 Mansell Road	Fee	100%	1986	3.26	38,082	100%
1011 Mansell Road	Fee	100%	1984	3.23	38,677	100%
Northbrook Business Dist II	Fee	100%	2000	4.84	64,000	0%
1100 Northmeadow Parkway	Fee	100%	1989	6.94	50,891	100%
1150 Northmeadow Parkway	Fee	100%	1988	3.98	52,050	100%
1125 Northmeadow Parkway	Fee	100%	1987	5.78	67,104	100%
1175 Northmeadow Parkway	Fee	100%	1987	4.06	71,264	100%
1250 Northmeadow Parkway	Fee	100%	1989	4.17	52,224	54%
1225 Northmeadow Parkway	Fee	100%	1989	3.89	37,520	79%
1325 Northmeadow Parkway	Fee	100%	1990	5.89	70,050	100%

Project Name/ Location	Ownership Interest	Company s Interest	Year Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
1335 Northmeadow Parkway	Fee	100%	1996	8.60	88,784	93%
11390 Old Roswell Road	Fee	100%	1997	4.42	47,628	94%
1400 Hembree Road	Fee	100%	1998	3.68	34,615	100%
245 Hembree Park Drive	Fee	100%	1999	7.50	104,006	100%
Northmeadow BD IV	Fee	100%	1999	6.68	93,363	100%
Northmeadow Service Ctr V	Fee	100%	1999	4.68	38,845	100%
Northmeadow BD VI	Fee	100%	2000	4.96	63,112	100%
Suwanee, GA						
90 Horizon Drive	Fee	50%[1]	1992/2001	2.00	13,400	100%
225 Horizon Drive	Fee	50%[1]	1990	5.08	96,000	100%
250 Horizon Drive	Fee	50%[1]	1997	18.05	267,600	100%
70 Crestridge Drive	Fee	50%[1]	1998	10.62	132,128	100%
2775 Horizon Ridge	Fee	50%[1]	1996	12.20	223,219	100%
2780 Horizon Ridge	Fee	50%[1]	1997	12.70	222,643	100%
2800 Vista Ridge Drive	Fee	50%[1]	1995	17.30	252,092	100%
410 Horizon Dr.	Fee	50%[1]	1999	15.39	247,500	85%
100 Crestridge Drive	Fee	50%[1]	1999	8.03	99,822	100%
1000 Northbrook Parkway	Fee	50%[1]	1986	8.40	131,660	100%
675 Old Peachtree Rd	Fee	50%[1]	1988	10.06	176,820	100%
7250 McGinnis Ferry Road	Fee	100%	1996	6.22	70,600	100%
Aurora, IL						
535 Exchange	Fee	100%	1984	4.63	25,943	100%
515-525 North Enterprise	Fee	100%	1984	3.39	66,017	100%
615 Enterprise	Fee	100%	1984	4.63	83,818	50%
3615 Exchange	Fee	100%	1986	4.06	64,755	100%
4000 Sussex	Fee	100%	1990	4.13	75,203	100%
3737 East Exchange	Fee	100%	1985	5.92	104,928	100%
444 North Commerce	Fee	100%	1985	7.15	92,692	100%
Meridian I	Fee	100%	1999	11.65	188,700	100%
Meridian II	Fee	100%	2001	5.03	46,050	0%

Bolingbrook, IL							
Chapco Carton Company	Fee		100%	2000	7.58	145,000	100%
Crossroads 1	Fee		50%[1]	1998	11.34	289,920	79%
Crossroads 3	Fee		50%[1]	2000	10.64	187,000	62%
Carol Stream, IL							
Carol Stream Building 1	Fee		50%[1]	1998	8.76	187,850	100%
Des Plaines, IL							
Wolf Road Building	Fee		100%	1966/1969	2.70	60,922	0%
105 East Oakton	Fee		100%	1974	6.50	180,000	73%
Lake Forest, IL							
Ballard Drive Building	Fee		100%	1985	3.33	54,274	100%
Laurel Drive Building	Fee		100%	1981	1.12	19,570	100%
13825 W. Laurel Dr.	Fee		100%	1978/1985	3.51	61,050	100%
Romeoville, IL							
Crossroads 2	Fee		50%[1]	1999	23.50	460,800	100%
Westmont, IL							
Oakmont Tech Center	Fee		100%	1989	6.30	111,659	81%
Carmel, IN							
Hamilton Crossing Bldg 1	Fee		100%	1989/2000	4.70	103,209	89%
Fishers, IN							
Exit 5 Bldg I	Fee	[3]	100%	1999	9.00	134,400	100%
Exit 5 Bldg. II	Fee		100%	1999	8.60	124,000	100%
Greenwood, IN							
South Park Bldg 2	Fee		100%	1990	7.10	86,806	95%
Indianapolis, IN							
3200 North Elizabeth	Fee		50%[1]	1973	4.50	99,350	100%
Franklin Road Bus. Ctr.	Fee		100%	1962/1998	28.00	488,925	95%
Georgetown Rd. Bldg 1	Fee		50%[1]	1987	5.85	111,883	100%
Georgetown Rd. Bldg 2	Fee		50%[1]	1987	5.81	72,120	100%
Georgetown Rd. Bldg 3	Fee		50%[1]	1987	5.10	45,896	100%
6061 Guion Rd	Fee		100%	1974	6.20	87,064	100%
6060 Guion Rd	Fee		100%	1968/1977	14.05	182,311	2%
Hillsdale Bldg 1	Fee		50%[1]	1986	9.16	73,866	100%

Hillsdale Bldg 2	Fee	50%[1]	1986	5.50	83,600	100%
Hillsdale Bldg 3	Fee	50%[1]	1987	5.50	84,050	100%
Hillsdale Bldg 4	Fee	100%	1987	7.85	73,874	100%
Hillsdale Bldg 5	Fee	100%	1987	5.44	66,505	100%

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Hillsdale Bldg 6	Fee	100%	1987	4.25	64,000	22%
Hunter Creek Bldg 1	Fee	10-50%[2]	1989	5.97	86,500	85%
Hunter Creek Bldg 2	Fee	10-50%[2]	1989	8.86	202,561	62%
4750 Kentucky Avenue	Fee	100%	1974	11.01	125,000	100%
North Airport Park Bldg 1	Fee	50%[1]	1996/1998	64.02	1,339,195	100%
North Airport Park Bldg 2	Fee	50%[1]	1997	22.50	377,280	100%
Park 100 Bldg 111	Fee	50%[1]	1987	7.91	83,545	100%
Park 100 Bldg 112	Fee	50%[1]	1987	4.45	37,800	100%
Park 100 Bldg 128	Fee	50%[1]	1996	14.40	322,000	57%
Park 100 Bldg 129	Fee	50%[1]	1996/2000	16.00	457,600	100%
Vanstar	Fee	50%[1]	1997	21.00	415,680	100%
Park 100 Bldg 133	Fee	50%[1]	1997	1.30	20,530	100%
Park 100 Bldg 48	Fee	50%[1]	1984	8.63	127,410	100%
Park 100 Bldg 49	Fee	50%[1]	1982	4.55	89,600	86%
Park 100 Bldg 50	Fee	50%[1]	1982	4.09	51,200	100%
Park 100 Bldg 52	Fee	50%[1]	1983	2.70	34,800	100%
Park 100 Bldg 53	Fee	50%[1]	1984	4.23	76,800	42%
Park 100 Bldg 54	Fee	50%[1]	1984	4.42	76,800	100%
Park 100 Bldg 55	Fee	50%[1]	1984	3.83	43,200	77%
Park 100 Bldg 56	Fee	50%[1]	1984	15.94	300,000	67%
Park 100 Bldg 57	Fee	50%[1]	1984	7.70	128,800	100%
Park 100 Bldg 58	Fee	50%[1]	1984	8.03	128,800	100%
Park 100 Bldg 59	Fee	50%[1]	1985	5.14	83,200	100%
Park 100 Bldg 60	Fee	50%[1]	1985	4.78	83,200	92%
Park 100 Bldg 62	Fee	50%[1]	1986	7.70	128,800	100%
Park 100 Bldg 67	Fee	50%[1]	1987	4.23	72,350	100%
Park 100 Bldg 68	Fee	50%[1]	1987	4.23	72,360	100%
Park 100 Bldg 71	Fee	50%[1]	1987	9.06	193,400	53%
Park 100 Bldg 74	Fee	10-50%[2]	1988	12.41	257,400	70%
Park 100 Bldg 76	Fee	10-50%[2]	1988	5.10	81,695	100%
Park 100 Bldg 78	Fee	10-50%[2]	1988	21.80	512,777	100%
Park 100 Bldg 85	Fee	10-50%[2]	1989	9.70	180,100	100%
Park 100 Bldg 89	Fee	10-50%[2]	1990	11.28	311,600	100%
Park 100 Bldg 91	Fee	10-50%[2]	1990/1996	7.53	196,800	27%
Park 100 Bldg 92	Fee	10-50%[2]	1991	4.38	45,917	100%
Silver Burdett	Fee	100%	1994/1997	27.69	737,850	100%
Park 100 Bldg 98	Fee	100%	1968/1995	37.34	508,300	100%
Park 100 Bldg 100	Fee	100%	1995	7.00	117,500	75%
Park 100 Bldg 101	Fee	50%[1]	1983	4.37	45,000	90%
Park 100 Bldg 105	Fee	50%[1]	1983	4.64	41,400	83%
Park 100 Bldg 106	Fee	50%[1]	1978	4.64	41,400	96%
Park 100 Bldg 107	Fee	100%	1984	3.56	58,783	100%

Park 100 Bldg 108	Fee	50%[1]	1983	6.36	60,300	91%
Park 100 Bldg 109	Fee	100%	1985	4.80	46,000	89%
Park 100 Bldg 113	Fee	50%[1]	1987	6.20	72,166	100%
Park 100 Bldg 114	Fee	50%[1]	1987	6.20	56,700	100%
Park 100 Bldg 117	Fee	10-50%[2]	1988	13.36	135,461	98%
Park 100 Bldg 120	Fee	10-50%[2]	1989	4.54	54,982	87%
Park 100 Bldg 122	Fee	100%	1990	6.17	73,274	100%
Park 100 Bldg 127	Fee	100%	1995	6.50	93,600	100%
Park 100 Bldg 39	Fee	50%[1]	1987	7.85	128,000	100%
Park 100 Bldg 63	Fee	50%[1]	1987	4.85	83,200	40%
Park 100 Bldg 64	Fee	50%[1]	1987	4.86	83,200	100%
Park 100 Bldg 65	Fee	50%[1]	1987	12.20	257,600	100%
Park 100 Bldg 66	Fee	50%[1]	1987	5.30	64,800	100%
Park 100 Bldg 79	Fee	50%[1]	1988	4.47	66,000	85%
Park 100 Bldg 80	Fee	50%[1]	1988	4.47	66,000	90%
Park 100 Bldg 83	Fee	50%[1]	1989	5.34	96,000	78%
Park 100 Bldg 84	Fee	50%[1]	1989	5.34	96,000	75%
Park 100 Bldg 87	Fee	50%[1]	1989	14.20	462,000	100%
Park 100 Building 97	Fee	50%[1]	1994	13.38	280,800	79%
Park Fletcher Bldg 2	Fee	50%[1]	1970	1.31	20,160	100%
Park Fletcher Bldg 4	Fee	50%[1]	1974	1.73	23,000	100%
Park Fletcher Bldg 6	Fee	50%[1]	1971	3.13	36,180	100%
Park Fletcher Bldg 7	Fee	50%[1]	1974	3.00	41,900	43%
Park Fletcher Bldg 8	Fee	50%[1]	1974	2.11	18,000	60%
Park Fletcher Bldg 14	Fee	100%	1978	1.39	19,480	100%
Park Fletcher Bldg 15	Fee	50%[1]	1979	5.74	72,800	100%
Park Fletcher Bldg 16	Fee	50%[1]	1979	3.17	35,200	78%
Park Fletcher Bldg 18	Fee	50%[1]	1980	5.52	43,950	82%
Park Fletcher Bldg 21	Fee	50%[1]	1983	2.95	37,224	100%
Park Fletcher Bldg 22	Fee	50%[1]	1983	2.96	48,635	100%
Park Fletcher Bldg 26	Fee	50%[1]	1983	2.91	28,340	100%

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Park Fletcher Bldg 27	Fee	25%[1]	1985	3.01	39,178	100%
Park Fletcher Bldg 28	Fee	25%[1]	1985	7.22	93,880	100%
Park Fletcher Bldg 29	Fee	50%[1]	1987	7.16	92,044	100%
Park Fletcher Bldg 30	Fee	50%[1]	1989	5.93	78,568	92%
Park Fletcher Bldg 31	Fee	50%[1]	1990	2.62	33,029	100%
Park Fletcher Bldg 32	Fee	50%[1]	1990	5.43	67,297	100%
Park Fletcher Bldg 33	Fee	50%[1]	1997	7.50	112,710	100%
Park Fletcher Bldg 34	Fee	50%[1]	1997	13.00	230,400	100%
Park Fletcher Bldg 35	Fee	50%[1]	1997	8.10	96,427	100%
Park Fletcher Bldg 36	Fee	50%[1]	1997	3.90	52,800	100%
Park Fletcher Bldg 37	Fee	50%[1]	1998	1.90	14,850	100%
Park Fletcher Bldg 38	Fee	50%[1]	1999	13.70	253,866	100%
Park Fletcher Bldg 39	Fee	50%[1]	1999	5.40	91,122	100%
Park Fletcher Bldg 40	Fee	50%[1]	1999	5.40	89,508	100%
4316 West Minnesota	Fee	100%[1]	1970	10.40	121,250	100%
Lebanon, IN						
Lebanon Building 2	Fee	50%[1]	1996	31.60	500,455	100%
Lebanon Building 4	Fee	100%	1997/2000	14.90	418,400	100%
Lebanon Building 9	Fee	100%	1999	26.80	395,679	64%
Lebanon Building 1	Fee	50%[1]	1996	10.40	153,600	100%
Pearson	Fee	100%	1997/2001	49.18	1,091,435	100%
Lebanon Building 6	Fee	50%[1]	1998	23.30	395,472	100%
Plainfield, IN						
Plainfield Building 1	Fee	100%	2000	21.25	450,000	100%
Plainfield Building 2	Fee	100%	2000	26.70	481,874	100%
Florence, KY						
Empire Commerce Center	Fee	50%[1]	1973/1980	11.62	148,445	100%
7910 Kentucky Drive	Fee	50%[1]	1980	3.78	38,329	100%
7920 Kentucky Drive	Fee	50%[1]	1974	9.33	93,945	51%
Hebron, KY						
Skyport Building 1	Fee	50%[1]	1997	15.10	316,800	100%
Skyport Building 2	Fee	50%[1]	1998	20.00	453,300	100%
Skyport Building 3	Fee	50%[1]	2000	28.80	473,000	100%
Skyport Bldg 4	Fee	50%[1]	1999	6.76	72,600	55%
Ky. Southpark Bldg 4	Fee	100%	1994	28.79	166,400	0%
CR Services	Fee	100%	1994/1998	22.50	253,664	100%
KY. Southpark Bldg 1	Fee	50%[1]	1990	7.90	96,000	100%
Ky. Southpark Bldg 3	Fee	50%[1]	1991	10.79	192,000	100%
Louisville, KY						

Dayco	Fee	50%[1]	1995	30.00	282,539	100%
Bloomington, MN						
Alpha Business Ctr III&IV	Fee	100%	1980	4.68	50,400	100%
Alpha Business Ctr V	Fee	100%	1980	5.96	80,640	100%
Bloomington Industrial Center	Fee	100%	1963	7.40	100,850	100%
Lyndale Commons I	Fee	100%	1981	2.60	43,770	98%
Lyndale Commons II	Fee	100%	1985	2.51	34,816	79%
Hampshire Dist Center North	Fee	100%	1979	9.26	159,200	100%
Hampshire Dist Center South	Fee	100%	1979	9.40	157,000	84%
Hampshire Tech Center	Fee	100%	1998	14.22	142,526	63%
Penn Corporate Bldg	Fee	100%	1977	2.08	40,844	100%
Brooklyn Park, MN						
Crosstown North Bus. Ctr. 1	Fee	100%	1998	12.09	157,453	100%
Crosstown North Bus. Ctr. 2	Fee	100%	1998	5.00	67,837	94%
Crosstown North Bus. Ctr. 3	Fee	100%	1999	5.00	67,961	92%
Crosstown North Bus. Ctr. 4	Fee	100%	1999	16.90	213,641	100%
Crosstown North Bus Ctr 5	Fee	100%	1999	8.87	142,708	100%
Crosstown North Bus Ctr 6	Fee	100%	2000	5.57	73,109	27%
7300 Northland Drive	Fee	100%	1980/1999	10.98	185,500	100%
Burnsville, MN						
Professional Plaza IV	Fee	100%	1980	2.79	37,528	100%
Cliff Road Industrial Ctr	Fee	100%	1972	3.31	49,857	97%
Professional Plaza III	Fee	100%	1985	2.24	35,987	59%
Professional Plaza II	Fee	100%	1984	2.41	35,619	93%
Larc Industrial Park I	Fee	100%	1977	4.59	67,200	95%
Larc Industrial Park II	Fee	100%	1976	3.70	54,180	80%
Larc Industrial Park III	Fee	100%	1980	2.38	30,800	100%
Larc Industrial Park IV	Fee	100%	1980	1.06	13,800	100%
Larc Industrial Park V	Fee	100%	1980	1.54	22,880	100%
Larc Industrial Park VI	Fee	100%	1975	3.91	63,600	99%
Larc Industrial Park VII	Fee	100%	1973	2.65	41,088	100%

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Chanhassen, MN						
Chanhassen Lakes I	Fee	100%	1983	5.40	49,072	74%
Chanhassen Lakes II	Fee	100%	1986	6.36	56,670	100%
Crystal, MN						
Crystal Industrial Center	Fee	100%	1974	3.23	72,000	99%
Eagan, MN						
Apollo Industrial Ctr I	Fee	100%	1997	11.05	168,480	100%
Apollo Industrial Ctr II	Fee	100%	2000	4.30	70,089	100%
Apollo Industrial Ctr III	Fee	100%	2000	13.00	240,439	100%
Eagandale Crossing	Fee	100%	1998	6.60	80,104	100%
Eagan Pointe Business Center I	Fee	100%	2001	6.32	128,000	100%
Eagandale Tech Center	Fee	100%	1998	7.61	76,520	35%
Lunar Pointe	Fee	100%	2001	8.00	115,200	0%
Silverbell Commons	Fee	100%	1999	16.62	235,120	100%
Sibley Industrial Center I	Fee	100%	1973	2.88	54,612	100%
Sibley Industrial Center II	Fee	100%	1972	2.58	37,800	100%
Sibley Industrial Center III	Fee	100%	1968	4.10	32,810	100%
Trapp Road Commerce I	Fee	100%	1996	6.50	96,800	100%
Trapp Road Commerce II	Fee	100%	1998	11.86	180,480	100%
Yankee Place	Fee	100%	1986	19.03	221,075	42%
Eden Prairie, MN						
Edenvale Executive Center	Fee	100%	1987	9.82	111,485	97%
Golden Triangle Tech Ctr	Fee	100%	1997	11.10	90,704	76%
Valley Gate North	Fee	100%	1986	4.17	53,079	65%
Edina, MN						
Cahill Business Center	Fee	100%	1980	3.90	60,082	100%
Edina Interchange I	Fee	100%	1995	4.73	73,817	100%
Edina Interchange II	Fee	100%	1980	3.46	55,006	100%
Edina Interchange III	Fee	100%	1981	6.39	62,784	100%
Edina Interchange IV	Fee	100%	1974	1.99	22,440	100%
Edina Interchange V	Fee	100%	1974	4.92	139,101	100%
Edina Interchange VII	Fee	100%	1970	2.36	30,655	87%
Pakwa I	Fee	100%	1979	1.67	38,196	100%
Pakwa II	Fee	100%	1979	1.67	21,254	90%
Fridley, MN						
River Road Business Ctr. S.	Fee	100%	1986	8.91	119,860	100%
University Center I&II	Fee	100%	1983	4.70	51,893	85%

Golden Valley, MN						
Golden Hills 1	Fee	100%	1996	7.50	91,368	100%
Golden Hills 2	Fee	100%	1999	7.50	79,294	100%
Golden Hills 3	Fee	100%	1999	7.20	87,456	100%
Sandburg Industrial Center	Fee	100%	1973	5.68	94,612	100%
Hopkins, MN						
Cornerstone Business Center	Fee	100%	1996	13.49	222,494	100%
Westside Business Park	Fee	100%	1987	9.10	114,800	100%
Mendota Heights, MN						
Enterprise Industrial Center	Fee	100%	1979	10.88	165,755	100%
Minneapolis, MN						
Broadway Business Ctr III	Fee	100%	1983	2.77	21,600	100%
Broadway Business Ctr IV	Fee	100%	1983	2.77	29,920	100%
Broadway Business Ctr VI	Fee	100%	1983	2.77	66,961	100%
Broadway Business Ctr VII	Fee	100%	1983	2.78	36,000	100%
Minnetonka, MN						
Encore Park	Fee	100%	1977	14.50	126,858	85%
New Hope, MN						
Bass Lake Business Bldg	Fee	100%	1981	5.33	47,368	59%
Plymouth, MN						
Medicine Lake Indus. Center	Fee	100%	1970	16.37	222,893	100%
Plymouth Office/Tech Center	Fee	100%	1986	3.77	52,487	100%
Plymouth Service Center	Fee	100%	1978	6.00	74,042	87%
Westpoint Bldg B&C	Fee	100%	1978	4.92	65,539	93%
Westpoint Bldg D&E	Fee	100%	1978	6.34	81,030	100%
St. Louis Park, MN						
Cedar Lake Business Center	Fee	100%	1976	3.05	50,400	100%
Novartis Warehouse	Fee	100%	1960	14.40	355,798	100%
St. Paul, MN						
University Crossing	Fee	100%	1990	5.65	83,470	97%

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Bridgeton, MO						
Dukeport 1	Fee	50%[1]	1996	21.24	403,200	100%
Dukeport 2	Fee	50%[1]	1997	14.70	244,800	100
Dukeport V	Fee	50%[1]	1998	6.00	95,280	100%
Dukeport VI	Fee	50%[1]	1999	16.64	320,000	100%
Dukeport VII	Fee	50%[1]	1999	8.34	123,480	100%
Dukeport VIII	Fee	50%[1]	1999	16.64	260,160	100%
Dukeport 9	Fee	50%[1]	2001	24.75	448,975	54%
Earth City, MO						
Corporate Center, Earth City	Fee	100%	2000	6.93	73,200	100%
Fenton, MO						
Fenton Interstate Building C	Fee	100%	1986	5.50	95,519	100%
Fenton Interstate Building D	Fee	100%	1987	5.85	105,651	100%
Fenton Industrial Bldg A	Fee	100%	1987	3.44	67,200	100%
Fenton Industrial Bldg B	Fee	100%	1986	5.20	101,366	100%
Southport I	Fee	100%	1977	1.36	20,810	100%
Southport II	Fee	100%	1978	1.53	22,400	100%
Southport Commerce Ctr	Fee	100%	1978	2.65	34,873	100%
Maryland Heights, MO						
Riverport Distribution A	Fee	100%	1990	5.96	100,000	100%
Express Scripts Service Center	Fee	100%	1992	10.81	119,000	100%
Riverport 1	Fee	100%	1999	6.64	72,000	100%
Riverport 2	Fee	100%	2000	9.51	104,800	100%
Riverport 3	Fee	100%	2001	8.68	129,400	0%
Westport Center I	Fee	100%	1998	11.90	177,600	100%
Westport Center II	Fee	100%	1998	5.25	51,053	100%
Westport Center III	Fee	100%	1998	8.70	91,000	100%
Olivette, MO						
I-170 Center	Fee	100%	1986	4.57	76,415	89%
Warson Commerce Center	Fee	100%	1987/1997	8.83	122,886	90%
St. Louis, MO						
Craig Park Center	Fee	100%	1984	3.19	42,210	78%
St. Louis Business Center A	Fee	100%	1987	2.49	47,876	71%
St. Louis Business Center B	Fee	100%	1986	3.14	58,986	100%
	Fee	100%	1986	2.10	38,628	100%

St. Louis Business Center C						
St. Louis Business Center D	Fee	100%	1987	1.81	33,953	100%
Westport Center IV	Fee	100%	2000	14.71	173,400	100%
Westport Center V	Fee	100%	1999	5.09	35,000	100%
St. Peters, MO						
Horizon Business Center	Fee	100%	1985	5.31	75,746	72%
Morrisville, NC						
507 Airport Blvd	Fee	100%	1993	7.15	106,862	94%
5151 McCrimmon Pkwy	Fee	100%	1995	7.67	104,806	100%
2600 Perimeter Park Dr	Fee	100%	1997	6.07	70,848	100%
5150 McCrimmon Pkwy	Fee	100%	1998	12.32	143,737	100%
3000 Perimeter Park Dr	Fee	100%	1989	5.76	75,000	100%
2900 Perimeter Park Dr	Fee	100%	1990	4.52	59,912	100%
2800 Perimeter Park Dr	Fee	100%	1992	8.22	136,370	100%
100 Perimeter Park Drive	Fee	100%	1987	5.30	55,666	88%
200 Perimeter Park Drive	Fee	100%	1987	6.30	55,664	100%
300 Perimeter Park Drive	Fee	100%	1986	6.30	55,664	100%
400 Perimeter Park Drive	Fee	100%	1983	5.40	74,088	100%
500 Perimeter Park Drive	Fee	100%	1985	5.80	74,107	100%
800 Perimeter Park Drive	Fee	100%	1984	4.50	55,637	100%
900 Perimeter Park Drive	Fee	100%	1982	4.00	48,307	79%
1000 Perimeter Park Drive	Fee	100%	1982	4.50	55,420	100%
1100 Perimeter Park Drive	Fee	100%	1990	9.50	83,755	85%
2700 Perimeter Park	Fee	100%	2001	6.00	86,400	0%
409 Airport Blvd Bldg A	Fee	100%	1983	3.07	42,712	50%
409 Airport Blvd Bldg B	Fee	100%	1986	1.89	26,215	50%
409 Airport Blvd bldg C	Fee	100%	1982	3.07	84,702	100%
100 Innovation Avenue	Fee	100%	1994	7.51	108,000	100%
101 Innovation Ave	Fee	100%	1997	7.94	97,500	100%
200 Innovation Drive	Fee	100%	1999	5.26	96,000	100%
501 Innovation Ave.	Fee	100%	1999	8.00	140,400	100%
Raleigh, NC						
3200 Spring Forest Road	Fee	100%	1986	5.61	59,971	98%
3100 Spring Forest Road	Fee	100%	1992	9.16	50,306	100%
Walnut Creek Business Park #1	Fee	100%	2001	4.19	65,000	50%

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Walnut Creek Business Park #2	Fee	100%	2001	5.79	106,000	69%
Walnut Creek Business Park #3	Fee	100%	2001	7.20	132,000	0%
Blue Ash, OH						
Cornell Commerce Center	Fee	100%	1989	9.91	167,695	84%
Creek Road Bldg 1	Fee	100%	1971	2.05	38,715	100%
Creek Road Bldg 2	Fee	100%	1971	2.63	53,210	100%
Canal Winchester, OH						
Nifco at Canal Winchester	Fee	100%	2000	6.82	124,800	100%
Cincinnati, OH						
U.S. Post Office	Fee	40%[1]	1992	2.60	57,886	100%
Cincinnati Bell Supply	Fee	100%	1999	9.00	80,100	100%
World Park Bldg 30	Fee	50%[1]	1999	33.23	615,600	100%
World Park Bldg 5	Fee	100%	1987	5.00	59,690	74%
World Park Bldg 6	Fee	100%	1987	7.26	92,400	100%
World Park Bldg 7	Fee	100%	1987	8.63	96,000	100%
World Park Bldg 17	Fee	50%[1]	1994	15.10	304,000	100%
World Park Bldg 8	Fee	50%[1]	1989	14.60	192,000	100%
World Park Bldg 9	Fee	50%[1]	1989	4.47	58,800	87%
World Park Bldg 11	Fee	50%[1]	1989	8.98	96,000	100%
World Park Bldg 14	Fee	50%[1]	1989	8.91	166,400	100%
World Park Bldg 15	Fee	50%[1]	1990	6.50	93,600	100%
World Park Bldg 16	Fee	50%[1]	1989	7.00	93,600	69%
World Park Bldg 18	Fee	50%[1]	1997	16.90	252,000	100%
World Park Bldg 28	Fee	50%[1]	1998	11.60	220,160	100%
World Park Bldg 29	Fee	50%[1]	1998	21.40	452,000	100%
World Park Bldg 31	Fee	50%[1]	1998	7.10	122,120	100%
Columbus, OH						
2190-2200 Westbelt Drive	Fee	100%	1986	6.12	95,516	100%
Westbelt West #1	Fee	100%	1999	9.53	132,800	100%
Westbelt West #2	Fee	100%	1999	11.24	184,152	100%
3800 Zane Trace Drive	Fee	100%	1978	3.98	83,167	100%
3635 Zane Trace Drive	Fee	100%	1980	5.24	98,880	100%
Fairfield, OH						
Fairfield Bus. Ctr. D	Fee	100%	1990	3.23	40,223	65%
Fairfield Bus. Ctr. E	Fee	100%	1990	6.07	75,356	100%
University Moving	Fee	100%	1991	4.95	70,000	100%
Glenwillow, OH						

Royal Appliance	Fee	50%[1]	1997	35.00	458,000	100%
Emerald Valley Bldg I	Fee	100%	1999	11.50	200,928	100%
Grove City, OH						
South Pointe Bldg A	Fee	50%[1]	1995	14.06	293,824	100%
South Pointe Bldg B	Fee	50%[1]	1996	13.16	307,200	100%
South Pointe Bldg C	Fee	50%[1]	1996	12.57	322,000	100%
South Pointe Bldg D	Fee	100%	1997	6.55	116,590	94%
South Pointe Bldg E	Fee	100%	1997	6.55	82,520	100%
Groveport, OH						
Groveport Comm Ctr #1	Fee	50%[1]	1998	17.78	354,814	100%
Groveport Comm Ctr #2	Fee	100%	1999	21.80	437,000	100%
Groveport Comm Ctr #3	Fee	100%	1999	10.60	168,000	0%
Groveport Comm Ctr #4	Fee	100%	2000	22.95	427,432	100%
Groveport Commerce Ctr. #345	Fee	100%	2000	20.47	345,000	0%
6600 Port Road	Fee	100%	1995/1998	45.42	1,019,312	100%
Lewis Center, OH						
Orange Point #73	Fee	100%	2001	6.22	74,237	26%
Orange Point 144	Fee	100%	2001	9.94	145,712	45%
Mason, OH						
Governor s Pointe 4700	Fee	100%	1987	5.51	77,890	92%
Governor s Pointe 4900	Fee	100%	1987	9.41	79,034	89%
Middletown, OH						
Monroe Business Center 2	Fee	100%	2000	25.89	525,000	100%
Milford, OH						
Park 50 Bldg 20	Fee	100%	1987	8.37	96,714	78%
Park 50 Bldg 25	Fee	100%	1989	12.20	78,328	84%
Monroe, OH						
Monroe Business Center Bldg. 1	Fee	100%	1992	24.50	399,600	100%
Sharonville, OH						
Enterprise Bldg 1	Fee	100%	1990	7.52	87,400	100%
Enterprise Bldg 2	Fee	100%	1990	7.52	84,963	91%

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Enterprise Bldg A	Fee	100%	1987	2.65	20,887	80%
Enterprise Bldg B	Fee	100%	1988	2.65	34,940	64%
Enterprise Bldg D	Fee	100%	1989	5.40	60,329	100%
Mosteller Distribution Ctr I	Fee	100%	1957/1996	25.80	357,796	43%
Mosteller Distribution Ctr II	Fee	100%	1997	12.20	261,440	74%
Perimeter Park Bldg A	Fee	100%	1991	2.92	28,100	100%
Perimeter Park Bldg B	Fee	100%	1991	3.84	30,000	100%
Solon, OH						
Fountain Parkway Bldg 2	Fee	100%	1998	12.90	224,600	100%
Fountain Parkway Bldg 1	Fee	100%	1997	6.50	108,700	100%
30600 Carter	Fee	100%	1971	11.30	190,188	100%
6230 Cochran	Fee	100%	1977	7.20	100,365	100%
5821 Harper	Fee	100%	1970	5.80	66,638	95%
6161 Cochran	Fee	100%	1978	6.10	62,400	78%
5901 Harper	Fee	100%	1970	4.10	55,263	100%
29125 Solon	Fee	100%	1980	5.90	47,329	100%
6661 Cochran	Fee	100%	1979	4.70	39,000	62%
6521 Davis	Fee	100%	1979	3.20	21,600	100%
30301 Carter Street	Fee	100%	1972	12.58	219,574	100%
Strongsville, OH						
Park 82 Bldg 2	Fee	100%	1998	7.10	105,150	100%
Park 82 Bldg 1	Fee	100%	1998	4.50	67,540	100%
Park 82 Bldg 3	Fee	100%	1999	6.37	85,912	100%
Park 82 Bldg 4	Fee	100%	2000	8.24	170,705	100%
Park 82 Bldg 5	Fee	100%	2000	8.05	161,984	65%
Johnson Controls	Fee	100%	1972	14.56	85,410	100%
Mohawk Dr. Bldg. 1	Fee	100%	2000	9.50	77,500	100%
Dyment	Fee	100%	1988	12.00	246,140	100%
Twinsburg, OH						
Enterprise Parkway #1	Fee	100%	1974/1995	7.40	66,109	100%
Enterprise Parkway Bldg 2	Fee	100%	2000	12.00	197,565	100%
West Chester, OH						
World Park at Union Ctr 12	Fee	100%	2000	4.70	55,000	100%
World Park at Union Ctr 1	Fee	50%[1]	1998	4.00	59,400	100%
World Park at Union Ctr 2	Fee	50%[1]	1999	3.82	64,800	100%
World Park at Union Ctr 3	Fee	50%[1]	1998	15.00	321,200	100%
World Park at Union Ctr 4	Fee	50%[1]	1999	4.46	48,400	100%
World Park at Union Ctr 5	Fee	50%[1]	1999	6.43	86,400	100%
World Park at Union Ctr 6	Fee	50%[1]	1999	16.25	321,464	100%

World Park at Union Ctr 8	Fee	50%[1]	1999	15.47	340,560	100%
World Park at Union Centre 9	Fee	50%[1]	2001	15.85	316,800	34 %
Falls Township, PA						
GM-Philadelphia	Fee	100%	2001	43.54	394,450	100%
Antioch, TN						
Keebler	Fee	100%	1985	4.39	36,150	100%
Brentwood, TN						
7104 Crossroads Blvd	Fee	100%	1987	7.00	103,200	100%
7106 Crossroads Blvd	Fee	100%	1987	6.70	103,200	100%
7108 Crossroads Blvd	Fee	100%	1989	6.60	99,000	61%
Franklin, TN						
277 Mallory Station	Fee	100%	1996	8.69	127,318	81%
320 Premier Court	Fee	100%	1996	7.26	106,368	100%
305 Seaboard Lane	Fee	100%	1998	14.23	122,094	100%
416 Mary Lindsay Polk Dr	Fee	100%	1996	10.00	161,037	100%
318 Seaboard Lane Bldg 200	Fee	100%	1999	4.07	29,276	100%
318 Seaboard Lane Bldg 100	Fee	100%	1999	3.25	37,019	100%
Aspen Grove Flex Ctr III	Fee	100%	2001	4.02	37,766	0%
Aspen Grove Flex Ctr IV	Fee	100%	2001	2.52	23,704	97%
119 Seaboard Lane	Fee	100%	1990	5.40	90,024	100%
121 Seaboard Lane	Fee	100%	1990	3.10	45,224	100%
123 Seaboard Lane	Fee	100%	1990	4.10	63,360	100%
Nashville, TN						
1420 Donelson Pike	Fee	100%	1985	7.20	90,000	79%
1410 Donelson Pike	Fee	100%	1986	9.30	108,300	95%
1400 Donelson Pike	Fee	100%	1996	7.70	102,519	100%
400 Airpark Center	Fee	100%	1989	3.20	52,748	100%
500 Airpark Center Dr.	Fee	100%	1988	5.40	90,150	95%
600 Airport Center Dr	Fee	100%	1990	4.70	78,639	72%
700 Airpark Center Dr.	Fee	100%	1992	4.50	77,401	96%

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800 Airpark Center Dr.	Fee	100%	1995	6.00	93,928	92%
900 Airpark Center Dr	Fee	100%	1995	6.00	84,307	74%
1000 Airpark Center Dr.	Fee	100%	1997	8.00	106,122	100%
5270 Harding place	Fee	100%	1996	4.01	51,960	100%
1415 Donelson Pike	Fee	100%	1996	12.40	156,933	100%
1413 Donelson Pike	Fee	100%	1996	5.15	66,737	100%
5233 Harding Place	Fee	100%	1998	4.01	47,938	100%
Cumberland Business Center I	Fee	100%	1999	19.29	166,137	100%
700 Melrose Avenue	Fee	100%	1997	8.32	165,776	100%
684 Melrose Ave	Fee	100%	1998	10.75	137,479	100%
782 Melrose Avenue	Fee	100%	1997	8.10	103,600	100%
784 Melrose Ave.	Fee	100%	1999	2.89	32,863	100%
Greenbriar Business Park	Fee	100%	1986	10.73	134,759	79%
Haywood Oaks Bldg 2	Fee	100%	1988	2.94	50,400	100%
Haywood Oaks Bldg 3	Fee	100%	1988	2.94	53,698	60%
Haywood Oaks Bldg 4	Fee	100%	1988	5.23	46,800	86%
Haywood Oaks Bldg 5	Fee	100%	1988	5.23	61,172	62%
Haywood Oaks Bldg 6	Fee	100%	1989	10.53	113,691	75%
Haywood Oaks Bldg 7	Fee	100%	1995	8.24	66,873	100%
Haywood Oaks Bldg 8	Fee	100%	1997	15.44	71,615	83%
Haywood Oaks East	Fee	100%	2000	13.00	120,657	53%
Metro Airport Center Bldg 1	Fee	100%	1999	6.37	80,675	94%
Metro Airport Bus Ctr C	Fee	100%	2001	7.25	85,000	83%
566 Mainstream Dr.	Fee	100%	1982	6.92	95,644	88%
621 Mainstream Dr.	Fee	100%	1984	7.18	52,302	79%
Riverview Business Center I	Fee	100%	2000	8.26	42,015	100%
Riverview Business Center II	Fee	100%	2001	4.84	59,398	20%
3300 Briley Park Blvd	Fee	100%	1997	18.27	195,379	100%
2515 Perimeter Park	Fee	100%	1990	4.46	71,031	100%
500 Royal Parkway	Fee	100%	1990	4.70	75,000	100%
Carrollton, TX						
Trinity Mills VI	Fee	50%[1]	1986	11.70	241,477	100%
Trinity Mills VII	Fee	50%[1]	1986	4.97	106,472	100%
Frankford Distribution I	Fee	50%[1]	1994	7.26	153,200	100%
Frankford Distribution II	Fee	50%[1]	1995	5.54	123,200	100%
Frankford III	Fee	50%[1]	1996	9.96	221,400	100%
Dickerson Service Center	Fee	50%[1]	1995	2.32	42,225	100%
Frankford Interchange	Fee	50%[1]	1997	21.03	380,002	100%
McDaniel	Fee	50%[1]	1981	4.85	125,000	100%
Hutton Drive	Fee	50%[1]	1981	4.86	97,921	100%

Coppell, TX						
Freeport IX	Fee	50%[1]	2001	26.66	559,582	72%
Freeport II	Fee	50%[1]	1996	14.40	280,000	100%
Freeport III	Fee	50%[1]	1996	15.59	297,903	100%
Freeport IV	Fee	50%[1]	1996	12.26	125,103	100%
Freeport V	Fee	50%[1]	2000	9.55	115,950	45%
Freeport VI	Fee	50%[1]	2000	12.09	228,210	100%
Freeport VII	Fee	50%[1]	2001	17.82	383,449	0%
Farmers Branch, TX						
One Valwood Park	Fee	50%[1]	1991	12.20	113,000	100%
Two Valwood Park	Fee	50%[1]	1996	5.27	126,800	100%
Fort Worth, TX						
14900 Trinity Blvd.	Fee	50%[1]	1984	14.30	310,000	100%
Garland, TX						
Garland Business Center II	Fee	50%[1]	1999	15.15	143,598	100%
International I	Fee	50%[1]	1996	7.70	151,200	100%
International II	Fee	50%	1996	12.70	283,600	100%
Grand Prairie, TX						
1252 Avenue T	Fee	50%[1]	1983	5.86	50,000	100%
1302 Avenue T	Fee	50%[1]	1983	5.81	70,000	100%
Carrier Warehouse	Fee	50%[1]	1980	5.11	110,880	100%
Regency	Fee	50%[1]	1980	7.85	132,521	100%
Irving, TX						
Texas Plaza I	Fee	50%[1]	1997	9.10	115,926	93%
Texas Plaza II	Fee	50%[1]	1999	5.22	71,550	100%
Lewisville, TX						
1550 Lakeway Drive	Fee	50%[1]	1997	11.92	200,515	100%
501 E Corporate Dr	Fee	50%[1]	1998	9.72	159,000	100%

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Roanoke, TX						
General Motors at Alliance	Fee	100%	2001	26.00	394,450	100%
Milwaukee, WI						
San Francisco Music Box	Fee	33.33%[1]	1993	8.90	153,600	100%
<u>Office</u>						
Brandon, FL						
Regency I	Fee	100%	2000	5.72	58,210	100%
Celebration, FL						
Celebration Business Center I	Fee	100%	1997	5.78	62,876	100%
Celebration Business Center II	Fee	100%	1997	4.00	43,020	100%
Celebration Office Center I	Fee	100%	2000	6.08	80,736	94%
Celebration Office Center II	Fee	100%	2001	6.08	80,736	6%
Ft. Lauderdale, FL						
Sawgrass - Building 1	Fee	84.5%[1]	1999	8.55	83,374	100%
Beacon Pointe at Weston Bldg 1	Fee	50%[1]	1999	6.88	97,579	95%
Jacksonville, FL						
7011 A.C. Skinner Pkwy	Fee	100%	1999	4.76	59,448	100%
Lake Mary, FL						
Northpoint Center I	Fee	85%[1]	1998	8.49	108,272	100%
Northpoint Center II	Fee	94.75%[1]	1999	8.76	108,499	50%
Northpoint III	Fee	100%	2001	8.79	108,499	100%
Sunrise, FL						
Sawgrass Commerce Ctr Phase II	Fee	94.7%[1]	2000	7.73	69,872	36 %
Tampa, FL						
Highland Oaks I	Fee	100%	1999	10.70	124,597	100%
Highland Oaks II	Fee	100%	1999	10.70	124,997	31%
Weston, FL						
Beacon Pointe at Weston Ph II	Fee	50%[1]	2000	5.82	97,178	18%
Alpharetta, GA						

3925 Brookside Parkway	Fee	100%	1998	9.98	106,631	100%
3625 Brookside Parkway	Fee	100%	1999	10.75	133,355	86%
Radiant II	Fee	100%	2000	5.60	80,314	100%
Brookside II	Fee	100%	2000	10.80	133,442	17%
2550 Northwinds Parkway	Fee	100%	1998	14.22	148,509	93%
Atlanta, GA						
6 W. Druid Hills Drive	Fee	100%	1968	2.83	80,757	100%
2801 Buford Highway	Fee	100%	1977	5.82	115,712	98%
1190 W. Druid Hills Drive	Fee	100%	1980	5.56	79,384	94%
Duluth, GA						
3805 Crestwood Parkway	Fee	100%	1997	7.20	104,947	81%
3885 Crestwood Parkway	Fee	100%	1998	6.33	103,607	100%
Hampton Green Off I	Fee	100%	2000	10.11	122,809	82%
Kennesaw, GA						
3391 Town Point Drive	Fee	100%	1999	7.35	93,849	92%
Lawrenceville, GA						
Huntcrest I	Fee	100%	2000	7.19	103,650	100%
Huntcrest II	Fee	100%	2000	6.18	103,712	98%
Norcross, GA						
4366 Park Drive	Fee	100%	1981	1.00	9,481	34%
1835 Shackleford Court	Fee	100%	1990	3.29	56,576	87%
1854 Shackleford Road	Fee	100%	1985/1995	6.30	94,677	83%
4275 Shackleford Court	Fee	100%	1985	2.86	32,280	98%
5755 Peachtree Industrial Blvd	Fee	100%	1997	6.00	50,000	100%
Roswell, GA						
1357 Hembree Road	Fee	100%	1999	5.62	51,189	100%
10745 Westside Parkway	Fee	100%	1995	5.00	58,093	100%
Arlington Heights, IL						
Atrium II	Fee	100%	1986	6.55	100,952	100%
Downers Grove, IL						
Executive Towers I	Fee	100%	1983	6.33	204,701	89%
Executive Towers II	Fee	100%	1984	6.33	224,206	65%
Executive Towers III	Fee	100%	1987	6.33	222,400	38%
Lake Forest, IL						
One Conway Park	Fee	100%	1989	8.97	102,579	100%

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Lisle, IL							
Central Park of Lisle 1	Fee		50%[1]	1990	8.88	345,200	96%
Central Park of Lisle 2	Fee		50%[1]	1999	8.36	303,246	93%
Westmont, IL							
Oakmont Circle Office	Fee		100%	1990	6.90	115,737	97%
Carmel, IN							
Hamilton Crossing Bldg 2	Fee		100%	1997	5.10	33,784	100%
Hamilton Crossing Bldg 3	Fee		100%	2000	8.63	141,812	93%
Hamilton Crossing Bldg 4	Fee		100%	1999	5.80	84,374	100%
Greenwood, IN							
South Park Bldg 1	Fee		100%	1989	5.40	39,715	82%
South Park Bldg 3	Fee		100%	1990	3.25	36,023	100%
Indianapolis, IN							
8465 Katc 2-story	Fee		100%	1983	1.31	28,532	97%
F.C. Tucker	Fee	[3]	100%	1978	4.70	4,840	100%
8555 Katc 4-story	Fee	[3]	100%	1985	5.42	75,545	100%
3520 Commerce Crossing	Fee		100%	1976	2.69	30,900	72%
Park 100 Bldg 110	Fee		50%[1]	1987	4.70	35,700	7%
One North Capitol	Fee	[4]	100%	1980	0.34	161,984	90%
Park 100 Bldg 116	Fee		100%	1988	5.28	35,713	100%
Park 100 Bldg 118	Fee		100%	1988	6.50	35,700	46%
Park 100 Bldg 119	Fee		100%	1989	6.50	53,300	100%
Park 100 Bldg 124	Fee		50%[1]	1992	3.88	48,000	100%
Park 100 Bldg 132	Fee		100%	1997	4.40	27,600	100%
Woodland Corporate Park I	Fee		100%	1998	6.00	77,186	100%
Woodland Corporate Park II	Fee		100%	1999	5.25	61,700	92%
One Parkwood	Fee		100%	1989	5.93	109,170	97%
Two Parkwood	Fee		100%	1996	5.96	94,177	91%
Three Parkwood	Fee		100%	1997	6.24	122,839	100%
Four Parkwood	Fee		100%	1998	5.90	133,086	96%
Five Parkwood	Fee		100%	1999	3.37	133,758	100%
Six Parkwood	Fee		100%	2000	6.10	199,284	94%
Seven Parkwood	Fee		50%[1]	2000	4.40	89,259	94%
Software Artistry	Fee		100%	1997	6.90	108,273	100%
Woodland Corporate Park III	Fee		100%	1999	6.03	65,500	98%

Woodland Corporate Park IV	Fee		100%	2000	6.40	91,067	100%
Two Woodfield Crossing	Fee		100%	1987	7.50	119,552	74%
Three Woodfield Crossing	Fee		100%	1989	13.30	259,777	87%
Bloomington, MN							
Alpha Business Ctr I&II	Fee		100%	1980	2.93	41,581	88%
Norman Center 2	Fee		100%	1970	6.23	62,301	100%
Norman Center 4	Fee		100%	1967	4.27	45,332	100%
Norman Pointe I	Fee		100%	2000	4.00	210,000	28%
Burnsville, MN							
Professional Plaza I	Fee		100%	1986	2.80	38,033	88%
Edina, MN							
Pakwa III	Fee		100%	1979	1.67	19,978	90%
Golden Valley, MN							
Edina Realty	Fee		100%	1965	1.93	24,080	100%
5075 Building	Fee		100%	1965	3.41	42,479	36%
Tyrol West	Fee		100%	1968	2.98	37,098	76%
Minnetonka, MN							
10801 Red Circle Dr.	Fee		100%	1977	4.00	60,078	100%
Plymouth, MN							
Westpoint Business Ctr	Fee		100%	1978	1.28	16,708	100%
St. Louis Park, MN							
5219 Building	Fee		100%	1965	0.73	9,141	90%
North Plaza	Fee		100%	1966	2.26	28,693	94%
1600 Tower	Fee		100%	2000	3.00	248,541	54%
South Plaza	Fee		100%	1966	2.68	33,370	80%
Travelers Express Tower	Fee		100%	1987	5.40	237,643	85%
Creve Couer, MO							
Twin Oaks	Fee		100%	1995	5.91	85,070	100%
Earth City, MO							
3322 NGIC	Fee	[4]	100%	1987	6.61	112,000	100%

Project Name/ Location	Ownership Interest		Company s Interest	Year Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
Maryland Heights, MO							
Riverport Tower	Fee		100%	1991	20.40	317,891	67%
Express Scripts HQ	Fee		100%	1999	11.40	141,774	100%
St. Louis, MO							
3300 Pointe 70	Fee	[4]	100%	1989	6.61	104,583	100%
Laumeier I	Fee		100%	1987	4.26	114,037	100%
Laumeier II	Fee		100%	1988	4.64	113,308	99%
Laumeier IV	Fee		100%	1987	2.24	61,340	67%
500-510 Maryville Centre	Fee		100%	1984	9.27	165,544	91%
530 Maryville Centre	Fee		100%	1990	5.31	107,962	98%
550 Maryville Centre	Fee		100%	1988	4.55	97,106	95%
635-645 Maryville Centre	Fee		100%	1987	8.78	151,564	98%
655 Maryville Centre	Fee		100%	1994	6.26	93,527	100%
540 Maryville Centre	Fee		100%	1990	5.23	107,972	89%
625 Maryville Centre	Fee		49%[1]	1994	6.26	104,990	83%
520 Maryville Centre	Fee		100%	1998	5.30	115,453	100%
700 Maryville Centre	Fee		100%	1999	5.70	215,564	100%
533 Maryville Centre	Fee		100%	2000	5.44	125,296	100%
555 Maryville Centre	Fee		100%	2000	5.43	127,082	34%
Westmark	Fee		100%	1987	6.95	132,736	100%
Westport Place	Fee		100%	1999	6.03	94,006	100%
Westview Place	Fee		100%	1988	2.69	124,381	90%
Cary, NC							
One Gateway Centre	Fee		[6]	2001	5.85	75,528	44%
Two Gateway Centre	Fee		[6]	2001	5.90	70,340	0%
200 Regency Forest Dr.	Fee		100%	1999	16.94	102,561	100%
100 Regency Forest Dr.	Fee		100%	1997	11.90	103,597	99%
Regency Forest III	Fee		100%	2000	8.47	109,570	100%
6501 Weston Parkway	Fee		100%	1996	8.52	93,990	100%
Chapel Hill, NC							
Governors Village	Fee		100%	2000	3.88	54,400	36%
Morrisville, NC							
2400 Perimeter Park Dr.	Fee		100%	1999	5.50	59,629	100%
1400 Perimeter Park Drive	Fee		100%	1991	3.33	44,916	100%
1500 Perimeter Park Drive	Fee		100%	1996	5.47	79,745	100%

1600 Perimeter Park Drive	Fee		100%	1994	5.70	94,897	75%
1800 Perimeter Park Drive	Fee		100%	1994	3.94	54,434	88%
2000 Perimeter Park Drive	Fee		100%	1997	4.25	55,906	100%
1700 Perimeter Center West	Fee		100%	1997	5.08	77,239	100%
3900 N. Paramount Parkway	Fee		100%	1998	5.88	100,987	100%
3900 S.Paramount Pkwy	Fee		100%	2000	5.88	119,170	100%
5200 East Paramount	Fee		100%	1999	12.19	154,853	100%
3500 Paramount Pkwy	Fee		100%	1999	3.36	61,603	100%
5200 West Paramount	Fee		100%	2000	12.36	160,747	100%
Raleigh, NC							
5520 Capital Ctr Dr	Fee		100%	1993	3.67	37,630	100%
801 Jones Franklin Rd	Fee		100%	1995	4.09	69,217	71%
Brook Forest I	Fee		100%	2000	4.88	65,721	36%
Crabtree Overlook	Fee		100%	2000	8.70	154,475	35%
Beachwood, OH							
One Corporate Exchange	Fee		100%	1989	5.30	88,376	97%
Corporate Place	Fee		100%	1988	4.50	85,845	92%
Blue Ash, OH							
Alliance Woods	Fee		100%	2000	7.10	190,733	68%
Huntington Bank Building	Fee		100%	1986	0.94	3,235	100%
Lake Forest Place	Fee		100%	1985	13.50	217,264	92%
Westlake Center	Fee		100%	1981	11.76	179,850	88%
Cincinnati, OH							
One Ashview Place	Fee		100%	1989	6.88	120,924	76%
Blue Ash Office Ctr VI	Fee		100%	1989	2.96	36,138	59%
Zussman Bldg	Fee	[5]	100%	1986	0.69	90,127	95%
312 Elm	Fee		100%	1992	1.10	378,786	84%
Executive Plaza I	Fee		100%	1980	5.83	88,481	75%
Executive Plaza II	Fee		100%	1981	5.02	88,885	100%
Executive Plaza III	Fee		100%	1998	5.60	89,341	94%
Dun & Bradstreet Bldg	Fee		100%	1972	8.34	38,000	100%
8790 Governor s Hill	Fee		100%	1985	5.00	58,177	67%

Project Name/ Location	Ownership Interest	Company s Interest	Year Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
8800 Governor s Hill	Fee	100%	1985	2.13	28,700	82%
8600 Governor s Hill	Fee	100%	1986	10.79	202,106	100%
Kenwood Executive Center	Fee	100%	1981	3.46	54,207	75%
8230 Kenwood Commons	Fee	75%[1]	1986	2.09	46,145	98%
8280 Kenwood Commons	Fee	75%[1]	1986	2.09	46,434	83%
Kenwood MOB	Fee	100%	1999	7.50	80,074	100%
Pfeiffer Woods	Fee	100%	1998	11.30	116,364	100%
Pfeiffer Place	Fee	100%	2001	8.05	157,566	52%
312 Plum	Fee	100%	1987	0.69	230,489	98%
Remington Park Bldg A	Fee	100%	1982	3.20	38,473	100%
Remington Park Bldg B	Fee	100%	1982	3.20	38,278	52%
Triangle Office Park	Fee	100%	1965/1985	15.64	172,650	82%
Columbus, OH						
One Easton Oval	Fee	100%	1998	7.69	125,031	100%
Two Easton Oval	Fee	100%	1996	7.66	128,690	100%
Easton Way One	Fee	100%	2000	5.12	106,765	100%
Easton Way Two	Fee	100%	2001	5.17	114,548	0%
1000 Polaris Parkway	Fee	100%	1992	8.42	72,588	100%
Dublin, OH						
Metrocenter III	Fee	100%	1983	5.91	75,342	92%
Scioto Corporate Center	Fee	100%	1987	7.58	57,242	90%
Qwest	Fee	100%	1990	13.00	164,639	100%
Sterling 1	Fee	100%	1990	7.66	106,300	100%
4700 Lakehurst Ct.	Fee	100%	1994	3.86	49,809	84%
Sterling 2	Fee	100%	1995	3.33	57,660	100%
John Alden Life Ins.	Fee	100%	1995	6.51	104,016	92%
5555 Glendon Court	Fee	100%	1995	10.95	132,939	100%
Sterling 3	Fee	100%	1996	3.56	64,500	100%
Compmanagement	Fee	100%	1997	5.60	68,700	100%
Sterling 4	Fee	100%	1998	3.10	94,219	100%
Xerox Bldg-5555 Parkcenter Cir	Fee	100%	1992	6.09	84,167	100%
Parkwood Place	Fee	100%	1997	9.08	156,000	100%
Nationwide	Fee	100%	1996	17.90	315,102	100%
Emerald II	Fee	100%	1998	3.21	45,716	76%
Atrium II, Phase I	Fee	100%	1997	11.04	145,064	93%
Atrium II, Phase II	Fee	100%	1998	10.42	145,512	95%
Blazer I	Fee	100%	1999	5.65	71,491	100%

Parkwood II	Fee	100%	2000	8.98	164,900	100%
Blazer II	Fee	100%	2000	5.93	85,082	93%
Emerald III	Fee	100%	2001	8.17	128,280	26%
Independence, OH						
Corporate Plaza I	Fee	100%	1989	6.10	112,907	88%
Corporate Plaza II	Fee	100%	1991	4.90	103,834	96%
Freedom Square I	Fee	100%	1980	2.59	40,710	93%
Freedom Square II	Fee	100%	1987	7.41	116,665	98%
Freedom Square III	Fee	100%	1997	2.00	71,025	100%
Oak Tree Place	Fee	100%	1979/1995	5.00	70,906	98%
Park Center Bldg I	Fee	100%	1998	6.68	135,542	97%
Park Center Bldg 2	Fee	100%	1999	6.67	142,150	97%
Park Center Bldg 3	Fee	100%	2000	6.67	133,958	48%
Mason, OH						
Deerfield Crossing Bldg 1	Fee	100%	1999	8.50	159,624	97%
Deerfield Crossing Bldg 2	Fee	100%	2001	7.50	159,624	83%
Governor s Pointe 4770	Fee	100%	1986	4.50	76,037	87%
Governor s Pointe 4705	Fee	100%	1988	7.50	142,027	100%
Governor s Pointe 4605	Fee	100%	1990	8.00	178,725	100%
Governor s Pointe 8990	Fee	100%	1997	5.00	78,240	100%
Governor s Pointe 4660	Fee	100%	1997	4.65	76,902	89%
Governor s Pointe 4680	Fee	100%	1998	9.80	128,355	96%
Mayfield Heights, OH						
Landerbrook Corp. Center I	Fee	100%	1997	8.00	112,886	99%
Landerbrook Corp. Center II	Fee	100%	1998	5.74	103,300	42%
Landerbrook Corp. Center III	Fee	100%	2000	6.17	103,311	0%
Milford, OH						
Park 50 Bldg 17	Fee	100%	1985	8.19	70,644	89%
New Albany, OH						
Express Med	Fee	50%[1]	1998	8.81	103,606	100%
Novus Services, Inc.	Fee	100%	1999	51.70	326,481	100%
6525 Campus Oval	Fee	100%	1999	4.40	66,575	100%

Project Name/ Location	Ownership Interest	Company s Interest	Year Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
North Olmsted, OH						
Great Northern Corp Center I	Fee	100%	1985	5.33	99,260	94%
Great Northern Corp Center II	Fee	100%	1987	5.32	104,402	97%
Great Northern Corp Center III	Fee	100%	1999	1.80	68,000	93%
Pepper Pike, OH						
Corporate Circle	Fee	100%	1983	6.65	120,475	74%
Seven Hills, OH						
Rock Run - North	Fee	100%	1984	5.00	62,565	99%
Rock Run - Center	Fee	100%	1985	5.00	62,223	100%
Rock Run - South	Fee	100%	1986	5.00	62,989	88%
Westerville, OH						
Liebert	Fee	100%	1999	5.65	67,657	100%
Brentwood, TN						
Creekside Crossing One	Fee	100%	1997	5.35	117,382	99%
Creekside Crossing Two	Fee	100%	1999	5.35	116,390	92%
Franklin, TN						
341 Cool Springs Blvd	Fee	100%	1999	18.18	87,790	86%
Nashville, TN						
Three Lakeview	Fee	100%	1999	7.11	149,700	67%
One Lakeview Place	Fee	100%	1986	6.46	114,972	67%
Two Lakeview Place	Fee	100%	1988	6.45	114,586	59%
545 Mainstream Dr.	Fee	100%	1983	8.91	86,676	86%
Plano, TX						
Metasolv Building Phase I	Fee	100%	1997	9.56	52,000	100%
Metasolv Building Phase II	Fee	100%	1999	4.17	100,000	100%
Retail						
Alpharetta, GA						
11835 Alpharetta Highway	Fee	100%	1994	2.25	15,000	100%
Atlanta, GA						

2071 N. Druid Hills Drive	Fee	100%	1968	0.59	4,115	100%
Carmel, IN						
Hamilton Crossing Retail Bldg 1	Fee	100%	1999	9.00	82,374	96%
Indianapolis, IN						
First Indiana Branch	Fee	100%	1988	1.00	2,400	100%
Park 100 Bldg 121	Fee	100%	1989	2.27	19,716	70%
Florence, KY						
Sofa Express	Fee	100%	1997	1.78	20,250	100%
Cincinnati, OH						
Fountain Place	Fee	14%[1]	1997	1.98	206,315	100%
Mason, OH						
Bigg s Supercenter	Fee	100%	1996/1998	14.00	198,940	100%
Lowes	Fee	100%	1997/1999	17.90	161,397	91%
Woodlawn, OH						
Glenwood Crossing	Fee	100%	1999	14.06	34,885	100%
Total In-Service				6,637.39	102,892,455	89%
Under Development						
Industrial						
Orlando, FL						
Lee Vista Distrib. Center III	Fee	100%	2001	7.75	101,290	0%
Suwanee, GA						
United Stationers BTS	Fee	50%[1]	2002	35.86	600,674	100%
90 Horizon Drive Expansion	Fee	50%[1]	2001	0.00	8,400	100%
Bolingbrook, IL						
555 Joliet Road	Fee	100%	1967/2002	17.62	404,052	96%
Carol Stream, IL						
Carol Stream Building 3	Fee	50%[1]	2002	13.19	305,094	0%
Indianapolis, IN						
Park Fletcher Bldg 41	Fee	50%[1]	2001	7.74	86,400	0%
Park Fletcher Bldg 42	Fee	50%[1]	2001	11.58	281,461	0%
Plainfield, IN						
Plainfield Building 3	Fee	100%	2001	36.50	600,000	0%

Project Name/ Location	Ownership Interest	Company s Interest	Year Constructed/ Expanded	Land Area (Acres)	Net Rentable Area (Sq. Ft.)	Percent Leased 12/31/2001
St. Louis, MO						
Lakeside Crossing I	Fee	100%	2001	3.33	38,850	0%
Lakeside Crossing 3	Fee	100%	2001	8.66	106,995	47%
Southridge Business Center	Fee	100%	2002	7.76	75,000	0%
Glenwillow, OH						
Emerald Valley Bldg 2	Fee	100%	2001	10.20	144,000	0%
Solon, OH						
Fountain Parkway Bldg 3	Fee	100%	2001	8.33	100,000	100%
Nashville, TN						
Airpark East-Eagle Bldg	Fee	100%	2001	13.96	122,500	61%
Carrollton, TX						
Eisenhower Distribution Center	Fee	50%[1]	2001	10.32	198,900	0%
Office						
Brandon, FL						
Regency II	Fee	100%	2001	5.67	58,210	100%
Lake Mary, FL						
Northpoint IV	Fee	100%	2002	8.11	118,402	0%
Sunrise, FL						
Sawgrass Pointe	Fee	100%	2001	16.96	235,890	0%
Weston, FL						
Beacon Pointe at Weston Ph III	Fee	50%[1]	2001	5.82	97,178	0%
Duluth, GA						
Huntcrest III	Fee	50%[1]	2001	9.50	132,533	0%
Warrenville, IL						
Lakeview at Cantera	Fee	100%	2001	11.82	165,000	0%
Indianapolis, IN						
Woodland Corporate Park V	Fee	100%	2002	10.00	120,000	100%

Morrisville, NC						
2450 Perimeter Park	Fee	100%	2001	5.29	57,160	62%
Raleigh, NC						
Spring Forest Business Ctr III	Fee	100%	2002	3.00	40,769	63%
Dublin, OH						
Nationwide Bldg A	Fee	100%	2001	22.65	401,683	100%
Retail						
Florence, KY						
Turfway Crossing	Fee	100%	2001	8.18	100,773	78%
	Total Under Development			299.80	4,701,214	41%
	Total In-Service and Under Development			6,937.19	107,593,669	87%

[1] The Company retains the indicated effective ownership interest in an entity which owns the building. The Company shares in the profit or loss from such building in accordance with the Company s ownership.

[2] These buildings are owned by a partnership in which the Company is a partner. The Company owns a 10% capital interest in the partnership and receives a 50% interest in the residual cash flow after payment of a 9% preferred return to the other partner on its capital interest.

[3] The Company owns the building and has a leasehold interest in the land underlying this building with a lease term expiring in 2048 or later.

[4] These are properties for which there are loans to owners which fully encumber the properties. Under the terms of the loans, the Company effectively receives all income and economic value from the properties. As a result, the properties are accounted for as owned properties.

[5] The Company has a leasehold interest in the building and the underlying land with a lease term expiring June 2020. The Company has an option to purchase the fee interest in the property throughout the term of the lease.

[6] This building is owned by a partnership in which the Company s ownership percentage will be between 60 and 65%. The Company will receive a 12% preferred return on its equity, with any excess cash flow received in accordance with the ownership interest.

Item 3. Legal Proceedings

The Company is not party to any claims or litigation that it believes the results, individually or in the aggregate, will have a material adverse affect on its business, financial position or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of the year ended December 31, 2001.

EXECUTIVE OFFICERS OF THE REGISTRANT

Howard L. Feinsand, age 54. Mr. Feinsand has served as the Company s Executive Vice President, Acquisitions/Disposition, and General Counsel since 1999. He directs the Company s acquisition and disposition activities and oversees its legal department. Mr. Feinsand has served on the Company's Board of Directors since 1988 and has served on the Duke Investment Committee since 1999. 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., an aircraft leasing company, from 1989 to 1995.

Robert M. Chapman, age 48. Mr. Chapman has served as the Company s Executive Vice President, Southern Region, since 2000. He is responsible for the Company s Atlanta, Orlando, Tampa, Raleigh and Dallas property portfolios. Mr. Chapman was previously the Company s Executive Vice President of the Atlanta/Texas region from 1999 to 2000, and its Executive Vice President of Acquisitions and Dispositions from 1997 to 1999. Before joining the Company in 1997, he served as Senior Vice President and Portfolio Manager for The RREEF Funds. Prior to that, Mr. Chapman was employed by Gerald Hines Interests and Lincoln Property Company.

Darell E. Zink, Jr., age 55 Mr. Zink joined the Company in 1982. He is the Executive Vice President and Chief Financial Officer of the Company and is responsible for all accounting, administrative and financial reporting functions for Duke Realty. He is a Director of the Company and has served on the Company Investment Committee for 24 years.

Thomas L. Hefner, age 55. Mr. Hefner has been Chairman of the Company since 1998, and its Chief Executive Officer since 1993. He joined the Company s predecessor, Duke Associates, as Managing General Partner in 1981 and became President and Chief Executive Officer of the Company in 1993. Mr. Hefner is a member of the Board of Governors of the National Association of Real Estate Investments Trust, the Board of Directors of the Central Indiana Corporate Partnership, the Board of Directors of the Nature Conservancy of Indiana, the Dean s Advisory Council of Purdue University s Krannert School of Business and the Board of Directors of Project e.

Richard W. Horn, age 44. Mr. Horn has been President of the Company since July 2000. From 1997 to 1999, he was the Company s Executive Vice President, Office. In this role, he was responsible for oversight of the Company s office properties. From 1999 to 2000, Mr. Horn was the Company s Executive Vice President of the Midwest Office, and from 1995 to 1997, he served as its Vice President of Acquisitions. Mr. Horn joined the Company as a leasing representative in 1984 and later served as Marketing Director for Duke s Cincinnati, Ohio properties. In 1988, he was named Vice President of Michigan and Tennessee Operations and in 1993 he became Vice President of Acquisitions.

Gary A. Burk, age 50. Mr. Burk is Executive Vice President of the Company, responsible for its construction operations. Since 1984, he has been responsible for directing all of the Company s construction operating units, including pre-construction services, project management, field operations, tenant finish and other construction services throughout the Midwest and Southeast. Mr. Burk has 27 years of construction and management experience.

Dennis D. Oklak, age 48. Mr. Oklak has been Executive Vice President and Chief Administrative Officer of the Company since 1997. In this role, he supervises the accounting and tax activities and also the information technology, human resources and tenant services. From 1993 to 1997, he served as the Company s Vice President and Treasurer. Mr. Oklak joined the Company in 1986 as Tax Manager and was later named Controller of development companies before being named Vice President and Treasurer. In that position, he served as the Chief Accounting Officer with responsibility for financial reporting in public offerings of securities, assisting the vice presidents of each business unit with deal structuring and supervising all financial aspects of the Company.

William E. Linville, III, age 47. Mr. Linville has been Executive Vice President, Midwest Region, for the Company since March 2001. In this role, he has responsibility for Indiana, Columbus, Cleveland, Cincinnati, Minneapolis and St. Louis operations. From 1994 until March 2001, Mr. Linville led the Company s Midwest Industrial Group. In that role, he oversaw the creation, development and operations of nearly 50 development parks across the Midwest. He originally joined the Company in 1987 as head of its Indiana Industrial Group.

PART II

Item 5. Market for the Registrant s Common Equity and Related Stockholder Matters

The Company s common shares are listed for trading on the New York Stock Exchange, symbol DRE. The following table sets forth the high and low sales prices of the common stock for the periods indicated and the dividend paid per share during each such period. Comparable cash dividends are expected in the future. As of March 1, 2002, there were 10,865 record holders of common shares.

	2001			2000		
Quarter Ended	**High**	**Low**	**Dividend**	**High**	**Low**	**Dividend**
December 31	**$ 24.80**	**$ 22.00**	**$ .45**	$ 25.56	$ 22.00	$ .43
September 30	**26.17**	**21.60**	**.45**	25.75	22.63	.43
June 30	**24.99**	**22.00**	**.43**	23.88	18.63	.39
March 31	**25.44**	**21.85**	**.43**	20.75	17.75	.39

On January 30, 2002, the Company declared a quarterly cash dividend of $.45 per share, payable on February 28, 2002, to common shareholders of record on February 12, 2002.

A summary of the tax characterization of the dividends paid per common share for the years ended December 31, 2001, 2000 and 1999 follows:

	2001	2000	1999

Total dividends paid per share	$ 1.76	$ 1.64	$ 1.46
Ordinary income	90.9%	85.6%	94.8%
Return of capital	0.0%	10.9%	3.8%
Capital gains	9.1%	3.5%	1.4%
	100.0%	100.0%	100.0%

Dividends per common share of $1.34, $1.26 and $1.23 were required for the Company to maintain its REIT status in 2001, 2000, and 1999, respectively.

Item 6. Selected Consolidated Financial Data

The following sets forth selected consolidated financial and operating information on a historical basis for the Company for each of the years in the five-year period ended December 31, 2001. 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):

	2001	2000	1999	1998	1997
Results of Operations:					
Revenues:					
Rental Operations	$ **723,349**	$ 711,826	$ 535,563	$ 348,625	$ 229,702
Service Operations	**80,459**	82,799	54,031	24,716	22,378
Total Revenues	$ **803,808**	$ 794,625	$ 589,594	$ 373, 341	$ 252,080
Net Income Available for Common Shares	$ **229,967**	$ 212,958	$ 139,636	$ 90,871	$ 65,999
Per Share Data :					
Net Income per Common Share:					
Basic	$ **1.77**	$ 1.68	$ 1.33	$ 1.13	$ .99
Diluted	**1.75**	1.66	1.32	1.12	.98
Dividends paid per Common Share	**1.76**	1.64	1.46	1.28	1.10
Weighted Average Common Shares Outstanding	**129,660**	126,836	104,884	80,704	66,427
Weighted Average Common and Dilutive Potential Common Shares	**151,710**	147,441	120,511	92,468	74,993
Balance Sheet Data (at December 31):					
Total Assets	$ **5,330,033**	$ 5,460,036	$ 5,486,238	$ 2,853,653	$ 2,176,214
Total Debt	**1,814,856**	1,973,215	2,113,476	1,007,317	720,119
Total Preferred Equity	**608,664**	608,874	609,998	360,000	225,000
Total Shareholders Equity	**2,785,009**	2,712,890	2,668,596	1,570,112	1,234,681
Total Common Shares Outstanding	**131,416**	127,932	125,823	86,053	76,065
Other Data:					
Funds From Operations (1)	$ **346,747**	$ 317,360	$ 234,273	$ 154,074	$ 107,256
Cash Flow Provided by (Used by):					
Operating activities	$ **433,656**	$ 449,130	$ 315,635	$ 221,188	$ 159,195
Investing activities	**7,551**	(97,752)	(740,269)	(703,814)	(597,324)
Financing activities	**(470,915)**	(330,952)	436,449	479,223	443,148

(1) Funds From Operations is defined by the National Association of Real Estate Investment Trusts as net income or loss, excluding gains or losses from debt restructuring and sales of depreciated property, plus operating property depreciation and amortization and adjustments for minority interest and unconsolidated companies on the same basis. Funds From Operations does not represent cash flow from opera-tions as

defined by generally accepted accounting principles, should not be considered as an alternative to net income as an indicator of the Company s operating performance, and is not indicative of cash available to fund all cash flow needs.

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

Business Overview

Certain statements in this Management s Discussion and Analysis of Financial Condition and Results of Operations, including those related to the Company s 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. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: general economic and business conditions; continued qualification as a real estate investment trust; competition for tenants; increases in real estate construction costs; interest rates, accessibility of debt and equity capital markets and other risks inherent in the real estate business including tenant defaults, potential liability relating to environmental matters and liquidity of real estate investments. The words believe, estimate, expect and similar expressions or statements regarding future periods are intended to identify forward-looking statements. All forward-looking statements are inherently uncertain as they involve substantial risks and uncertainties beyond the Company s control. The Company undertakes no obligation to update or revise any forward-looking statements for events or circumstance after the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. Further, the Company cannot assess the impact of each such factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The Company s operating results depend primarily upon income from the Rental Operations of its industrial, office and retail properties located in its primary markets. This rental income is substantially influenced by the supply and demand for the Company s rental space in its primary markets. In addition, the Company s continued growth is dependent upon its ability to maintain occupancy rates and increase rental rates of its in-service portfolio. The Company s strategy for continued growth also includes developing and acquiring additional rental properties in its primary markets and expanding into other attractive markets.

For the year ended December 31, 2001, the Company s rental revenue grew by only 2%, substantially below historical trends. This slowdown in growth resulted from a combination of a slower economy reducing overall portfolio occupancy and the sale of over $500 million of assets in 2001, which was used primarily to pay down debt. While these events have affected growth and related rental income, the Company has excellent liquidity and financial flexibility (See additional discussion under Liquidity and Capital Resources). With a debt to market capitalization ratio of 29.5% and only $120 million drawn on its $650 million unsecured lines of credit as of December 31, 2001, the Company is well positioned to make future opportunistic real estate investments. Additionally, the Company has experienced continued demand for third party construction services through its Service Operations and has significantly lowered its corporate general and administrative expenses to offset the reductions in rental income.

As noted above, the Company s operating results depend primarily upon income from the Rental Operations of its industrial, office and retail properties. The following highlights the areas of Rental Operations that the Company considers critical for future revenue growth (all square footage totals and occupancy percentages reflect 100% of both wholly-owned properties and properties in joint ventures that the Company has ownership interests):

Same Property Performance: The Company tracks same property performance, which compares those properties that were in-service for all of a two-year period. In 2001, net operating income from the same property portfolio increased 4.4% over 2000, compared to 4.2% growth in 2000 over 1999.

Occupancy Analysis: The following table sets forth information regarding the Company s in-service portfolio of rental properties as of December 31, 2001 (square feet in thousands):

	Total Square Feet		Percent of Total Square Feet		Percent Occupied	
Type	**2001**	**2000**	**2001**	**2000**	**2001**	**2000**
Industrial						
Service Centers	**13,833**	13,519	**13.4%**	13.4%	**88.7%**	92.3%
Bulk	**64,786**	63,454	**63.0%**	62.8%	**89.4%**	94.6%

Office	**23,528**	21,505	**22.9%**	21.3%	**86.0%**	91.3%
Retail	**745**	2,484	**0.7%**	2.5%	**96.8%**	97.8%
Total	**102,892**	100,962	**100%**	100.0%	**88.6%**	93.6%

Lease Expiration: The following table reflects the Company s in-service lease expiration schedule as of December 31, 2001, by product type indicating square footage and annualized net effective rents under expiring leases (in thousands, except per square foot amounts):

Year of Expiration	Total Portfolio Square Feet	Total Portfolio Dollars	%	Industrial Square Feet	Industrial Dollars	Office Square Feet	Office Dollars	Retail Square Feet	Retail Dollars
2002	9,498	$ 58,246	9%	7,938	$ 39,695	1,550	$ 18,402	10	$ 149
2003	9,907	64,680	10%	7,865	38,590	2,042	26,090		
2004	11,309	76,915	12%	8,719	41,831	2,567	34,677	23	407
2005	13,769	93,325	15%	10,918	51,884	2,813	40,939	38	502
2006	11,841	81,689	12%	9,324	45,670	2,510	35,910	7	109
2007	6,838	50,778	8%	5,173	27,561	1,633	22,775	32	442
2008	5,943	38,441	6%	4,725	21,687	1,199	16,464	19	290
2009	5,902	36,668	6%	4,755	20,122	1,128	16,177	19	369
2010	5,571	44,521	7%	3,908	18,511	1,644	25,696	19	314
2011	4,652	41,115	7%	3,360	20,590	1,276	20,280	16	245
2012 and Thereafter	5,941	47,985	8%	3,524	15,875	1,879	28,085	538	4,025
	91,171	$ 634,363	100%	70,209	$ 342,016	20,241	$ 285,495	721	$ 6,852
Total Portfolio Square Feet	102,892			78,619		23,528		745	
Percent Occupied	88.61%			89.30%		86.03%		96.78%	

Future Development: The Company also expects to realize growth in earnings from Rental Operations through the development and acquisition of additional rental properties in its primary markets. Specifically, the Company has 4.7 million square feet of properties under development at December 31, 2001. These properties under development should provide future earnings through Service Operations income upon sale or from Rental Operations growth as they are placed in service as follows (in thousands, except percent leased and stabilized returns):

Anticipated In-Service Date	Square Feet	Percent Leased	Project Costs	Anticipated Stabilized Return
Held for Rental:				
1st Quarter 2002	1,326	13%	$ 83,637	10.5%
2nd Quarter 2002	2,011	22%	87,117	11.1%
3rd Quarter 2002				
Thereafter	120	100%	12,352	11.7%
	3,457	21%	$ 183,106	10.9%
Held for Sale:				
1st Quarter 2002	402	100%	$ 33,439	10.9%
2nd Quarter 2002	241	84%	20,205	11.7%
3rd Quarter 2002	601	100%	8,230	10.1%
Thereafter				
	1,244	97%	$ 61,874	11.0%

Total	4,701	41%	$	244,980	10.9%

Lease Renewals: The Company renewed 70.1 percent of leases up for renewal in 2001, totaling 7.4 million square feet on which it attained an 11.6 percent growth in net effective rent. This compares to renewals of 76.8 percent in 2000, totaling 8.9 million square feet and 7.4 percent growth in net effective rent.

Results of Operations

A summary of the Company s operating results and property statistics for each of the years in the three-year period ended December 31, 2001, is as follows (in thousands, except number of properties and per share amounts):

	2001	2000	1999
Rental Operations revenues	**$ 723,349**	$ 711,826	$ 535,563
Service Operations revenues	**80,459**	82,799	54,031
Earnings from Rental Operations	**257,701**	226,352	195,394
Earnings from Service Operations	**35,115**	32,760	17,872
Operating income	**277,257**	237,968	196,710
Net income available for common shares	**229,967**	212,958	139,636
Weighted average common shares outstanding	**129,660**	126,836	104,884
Weighted average common and dilutive potential common shares	**151,710**	147,441	120,511
Basic net income per common share	**$ 1.77**	$ 1.68	$ 1.33
Diluted net income per common share	**$ 1.75**	$ 1.66	$ 1.32
Number of in-service properties at end of year	**888**	913	865
In-service square footage at end of year	**102,892**	100,962	92,502
Under development square footage at end of year	**4,701**	8,056	9,876

Comparison of Year Ended December 31, 2001 to Year Ended December 31, 2000

Rental Operations

Rental Operations revenue increased to $723.3 million from $711.8 million for the year ended December 31, 2001, compared to the same period in 2000. Rental Operations revenue is driven by rental income from held for rental properties (Rental Income) and equity in earnings from unconsolidated companies (Equity in earnings). Rental Income decreased from $697.3 million in 2000 to $692.0 million in 2001. This decrease is the result of an overall decrease in occupancy of in-service properties from 93.6 percent at December 31, 2000, to 88.6 percent at December 31, 2001. Also contributing to the decline in Rental Income is the effects of the Company s property dispositions. During 2000 and 2001, the Company sold approximately $1 billion of held for investment rental properties from its in-service portfolio. A majority of these properties were over 90% leased and the new developments placed in-service over the same time period were leased at lower percentages and, therefore, the Company realized less rental income. The effects of the decreased occupancy and property sales were somewhat mitigated by the Company recognizing $17.5 million of lease termination fees in 2001, compared to $7.0 million in 2000.

Equity in earnings increased from $14.6 million in 2000 to $31.4 million for 2001. This increase is mainly the result of the Company selling a significant number of properties to two 50% owned joint ventures in the fourth quarter of 2000. The Company recognized $14.8 million of additional equity in earnings in 2001 associated with these two ventures.

The following is a summary of the Company s in-service portfolio since January 1, 2000:

	Buildings	Square Feet (in thousands)
Properties owned as of:		
January 1, 2000	865	92,502
Acquisitions	2	169
Developments placed in service	75	11,546
Contributions from joint venture partners	24	3,331
Dispositions	(53)	(6,586)
December 31, 2000	913	100,962
Acquisitions	5	258
Developments placed in service	55	9,906
Dispositions	(85)	(8,234)
December 31, 2001	888	102,892

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Rental and real estate tax expenses increased in 2001 over 2000 generally due to increasing operating costs of the Company s properties. These increases were mitigated by the timing of sales of properties throughout the year.

The $20.1 million decrease in interest expense is primarily attributable to lower outstanding balances on the Company s lines of credit associated with the financing of the Company s investment and operating activities. The Company has maintained a significantly lower balance on its lines of credit throughout 2001 compared to 2000, as a result of its property dispositions proceeds used to fund future development, combined with a lower development level as a result of the slower economy. Additionally, the Company paid off $128.5 million of secured mortgage loans throughout 2001, as well as an $85 million unsecured term loan. These decreases were partially offset by an increase in interest expense on unsecured debt as a result of the Company issuing $175.0 million of debt in February 2001, as well as a decrease in the amount of interest capitalized in 2001 versus 2000, due to the decrease in development activity by the Company.

As a result of the above-mentioned items, earnings from Rental Operations increased $31.3 million from $226.4 million for the year ended December 31, 2000, to $257.7 million for the year ended December 31, 2001.

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Service Operations

Service Operations revenues decreased from $82.8 million for the year ended December 31, 2000, to $80.5 million for the year ended December 31, 2001. The Company experienced a decrease of $4.3 million in net general contractor revenues from third party jobs due to a decrease in the volume of construction in 2001, compared to 2000, as well as slightly lower profit margins. This decrease is the effect of businesses delaying or terminating plans to expand in the wake of the slowed economy as noted above in the Business Overview section.

Property management, maintenance and leasing fee revenues decreased approximately $2.7 million due mainly to a decrease in landscaping maintenance revenue associated with the sale of the landscape business in the third quarter of 2001 (see discussion below).

Construction management and development activity income represent construction and development fees earned on projects where the Company acts as the construction manager, and profits from the Company s held for sale program whereby the Company develops a property in DCLP, and, upon completion, sells the property to a third party. The increase in revenues of $2.2 million in 2001 is primarily due to an increase in profits on the sale of properties from the held for sale program.

Other income increased approximately $2.4 million in 2001 over 2000, due to a $1.8 million gain the Company recognized on the sale of its landscape business in the third quarter of 2001. The sale of the landscape business resulted in a total net profit of over $9 million after deducting all related expenses. This gain will be recognized in varying amounts over the next seven years due to the Company s on-going contract to provide future services to the buyer.

Service Operations expenses decreased by $4.7 million for the year ended December 31, 2001, compared to the same period in 2000, as the Company reduced total overhead costs throughout 2001 in an effort to minimize the effects of decreased construction and development activity. The primary savings were experienced in employee salary and related costs due to personnel reductions and reduced overhead costs from the sale of the landscaping business.

As a result, earnings from Service Operations increased from $32.8 million for the year ended December 31, 2000, to $35.1 million for the year ended December 31, 2001.

General and Administrative Expense

General and Administrative Expense decreased from $21.1 million in 2000 to $15.6 million for the year ended December 31, 2001, due to overhead cost reduction efforts. In late 2000 and continuing throughout 2001, the Company introduced several cost cutting measures to reduce the amount of overhead, including headcount reduction, centralization of responsibilities and streamlining of employee costs such as travel and entertainment.

Other Income and Expenses

Gain on sale of land and depreciable property dispositions, net of impairment allowance, is comprised of the following amounts in 2001 and 2000:

	2001	2000
Gain on sales of depreciable properties	**$ 45,428**	$ 52,067
Gain on land sales	**5,080**	9,165
Impairment allowance	**(4,800)**	(540)
Total	**$ 45,708**	$ 60,692

Gain on sales of depreciable properties represent sales of previously held for investment rental properties. Beginning in 2000 and continuing into 2001, the Company has pursued favorable opportunities to dispose of real estate assets that no longer meet long-term investment objectives. In conjunction with this disposition strategy, included in net real estate investments are 12 buildings with a net book value of $122.8 million that were classified as held for sale by the Company at December 31, 2001. The Company expects to complete these and other dispositions and use the proceeds to fund future investments in real estate assets.

Gain on land sales represents sales of undeveloped land owned by the Company. The Company pursues opportunities to dispose of land in markets with a high concentration of undeveloped land and those markets where the land no longer meets strategic development plans of the Company.

The Company recorded a $4.8 million asset impairment adjustment in 2001 on a single property that is expected to be sold in early 2002. The Company has analyzed each of its in-service properties and has determined that there are no additional valuation adjustments that need to be made as of December 31, 2001. The Company will evaluate its in-service portfolio on a continuing basis.

Other expense for the year ended December 31, 2001, includes a $1.4 million expense related to an interest rate swap that does not qualify for hedge accounting under FASB SFAS 133.

Net Income Available for Common Shares

Net income available for common shares for the year ended December 31, 2001 was $230.0 million compared to $213.0 million for the year ended December 31, 2000. This increase results primarily from the operating result fluctuations in Rental and Service Operations and earnings from sales of real estate assets explained above.

Comparison of Year Ended December 31, 2000 to Year Ended December 31, 1999

Rental Operations

Rental Operations revenue increased to $711.8 million from $535.6 million for the year ended December 31, 2000, compared to the same period in 1999. This increase is primarily due to the increase in the number of in-service properties during the respective periods. As of December 31, 2000, the Company had 913 properties in service compared to 865 properties at December 31, 1999. The following is a summary of the Company s acquisition and development activity since January 1, 1999:

	Buildings	Square Feet (in thousands)
Properties owned as of:		
January 1, 1999	453	52,028
Weeks merger	335	28,569
Acquisitions	30	2,867
Developments placed in service	68	10,928
Dispositions	(21)	(1,890)
December 31, 1999	865	92,502
Acquisitions	2	169
Developments placed in service	75	11,546
Dispositions	(53)	(6,586)
Contributions from joint venture partners	24	3,331
December 31, 2000	913	100,962

Rental property, real estate tax and depreciation and amortization expenses increased for the year ended December 31, 2000, compared to the same period in 1999, due to the increase in the number of in-service properties during the respective periods.

The $47.2 million increase in interest expense is primarily attributable to higher outstanding debt balances associated with the financing of the Company s investment activities. The increased balances include $450 million of unsecured debt issued in 1999, the assumption of $185 million of secured debt and $287 million of unsecured debt in the merger with Weeks Corporation in July 1999, and increased borrowings on the Company s lines of credit. These higher borrowing costs were partially offset by the capitalization of interest on increased property development activities.

As a result of the above-mentioned items, earnings from Rental Operations increased $31.0 million from $195.4 million for the year ended December 31, 1999, to $226.4 million for the year ended December 31, 2000.

Service Operations

Service Operations revenues increased by $28.8 million from $54.0 million for the year ended December 31, 1999, to $82.8 million for the year ended December 31, 2000, primarily as a result of increases in construction and development income from increased third-party construction and revenues from the development and sale profits of build-to-suit properties.

Service Operations operating expenses increased from $36.2 million in 1999 to $50.0 million for the year ended December 31, 2000, due to the overall growth of the Company and the increased portfolio of buildings associated with this growth, and the significant increase in construction and development activity in 2000.

As a result, earnings from Service Operations increased from $17.9 million for the year ended December 31, 1999, to $32.8 million for the year ended December 31, 2000.

General and Administrative Expense

General and Administrative Expense increased from $16.6 million in 1999 to $21.1 million for the year ended December 31, 2000, due to an increase in corporate expenses associated with overall growth of the Company and effects of a full year s operations resulting from the merger with Weeks Corporation in July 1999.

Other Income and Expenses

Interest income increased from $2.7 million for the year ended December 31, 1999, to $6.9 million for the same period in 2000 primarily through earnings on funds deposited in tax deferred exchange escrows of $3.6 million.

The Company has a disposition strategy to pursue favorable opportunities to dispose of real estate assets that no longer meet long-term investment objectives of the Company, which resulted in net sales proceeds of $413.8 million and a net gain of $60.7 million for the year ended December 31, 2000. In conjunction with this disposition strategy, included in net real estate investments are 28 buildings with a net book value of $112.0 million that were classified as held for sale by the Company at December 31, 2000.

Net Income Available for Common Shares

Net income available for common shares for the year ended December 31, 2000 was $213.0 million compared to $139.6 million for the year ended December 31, 1999. This increase results primarily from the operating result fluctuations in rental and service operations and earnings from sales of real estate assets explained above.

Summary of Critical Accounting Policies

Management of the Company considers the following accounting policies to be critical to the reported operations of the Company:

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned or controlled subsidiaries. The equity interests in these majority-owned or controlled subsidiaries not owned by the Company are reflected as minority interests in the consolidated financial statements. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. Investments in entities that the Company does not control through majority voting interest or where the other owner has substantial participating rights are not consolidated and are reflected as investments in unconsolidated companies. Control is demonstrated by the ability of the general partner to manage day-to-day operations, refinance debt and sell the assets of the partnership without the consent of the limited partner and inability of the limited partner to replace the general partner.

Real Estate Investments

All direct and indirect costs, including interest and real estate taxes clearly associated with the development, construction, leasing or expansion of real estate investments are capitalized as a cost of the property. Included in indirect costs is an estimate of internal costs associated with development and rental of real estate investments. All external costs associated with the acquisition of real estate investments are capitalized as a cost of the property.

The Company evaluates its real estate investments to be held and used upon occurrence of significant changes in the operations, but not less than annually, to assess whether any impairment indications are present, including recurring operating losses and significant adverse changes in legal factors or business climate that affect the recovery of the recorded value. If any real estate investment is considered impaired, a loss is provided to reduce the carrying value of the property to its estimated fair value. Real estate investments to be disposed of are reported at the lower of their carrying amount or fair value less cost to sell. The evaluation of real estate investments involves many subjective assumptions dependent upon future economic events that affect the ultimate value of the property.

Service Operations Revenue

The Company recognizes income on long-term construction contracts on the percentage of completion method. Using this method, profits are recorded on the basis of the Company s estimates of the percentage of completion of individual contracts, commencing when progress reaches a point where experience is sufficient to estimate final results with reasonable accuracy. That portion of the estimated earnings is accrued on the basis of the Company s estimates of the percentage of completion based on contract expenditures incurred and work performed.

Valuation of Receivables

The Company is subject to tenant defaults and bankruptcies that could affect the collection of outstanding receivables. In order to mitigate these risks, the Company performs credit review and analysis on all tenants and all significant leases before they are executed. The Company evaluates the collectibility of outstanding receivables and records allowances as appropriate.

Liquidity and Capital Resources

Financial Flexibility

During 2000 and continuing into 2001, the real estate industry experienced a reduced supply of new common equity capital, which generally decreased the level of new investment activity by real estate companies. While the Company has been subject to these capital market conditions, management believes the Company s financial and liquidity position is strong. Over the years, the Company has carefully managed its balance sheet in an effort to avoid liquidity issues in any given quarter or year. In management s view, this should provide a competitive advantage in the current capital constrained market over many of its competitors. Following are three key indicators that demonstrate the overall strength of the Company s financial position.

First, the Company believes that its principal source of liquidity, cash flows from Rental Operations, provides a stable source of cash to fund necessary requirements. The Company believes that this cash based revenue stream is properly aligned with revenue recognition as cash receipts for rental properties are generally received in a short time following the actual revenue recognition. The Company is subject to risks of decreased occupancy due to market conditions as well as tenant defaults and bankruptcies. However, management believes that these risks are mitigated by the Company s strong market presence in most of its locations and the fact that the Company performs in-house credit review and analysis on all tenants and all significant leases before they are executed. This latter point is supported by the fact that in 2001, the Company s bad debt expense totaled only one-half of one percent of total rental revenues. Secondly, the Company has maintained a conservative balance sheet with a debt-to-total market capitalization of 29.5% at December 31, 2001. Thirdly, as of December 31, 2001, the Company has a total of $530.0 million of undrawn capacity on its existing unsecured lines of credit to meet its short-term obligations. The de-leveraging of the balance sheet over the past two years has strengthened the Company s debt and other compliance ratios required to maintain its unsecured lines of credit, further allowing the Company the opportunity to obtain additional debt capacity should the need arise in the course of business opportunities. The Company also amended both its $500 million and $150 million unsecured lines of credit in 2001, which extended the maturity dates to 2004 and 2002, respectively.

Management believes that these key factors will provide the Company with substantial financial flexibility to capitalize on investment opportunities that may not be available to other real estate companies with more limited financial resources.

Operating Activities

Net cash flow provided by operating activities was $433.7 million in 2001, compared to $449.1 million and $315.6 million in 2000 and 1999, respectively. Operating activity cash flows represent the primary source of liquidity to fund distributions to shareholders, unitholders and the other minority interests and to fund recurring costs associated with the renovation and re-letting of the Company s properties.

Investing Activities

Net cash provided by (used) by investing activities totaled $7.6 million, $(97.8) million and $(740.3) million for the years ended December 31, 2001, 2000 and 1999, respectively. Investing activities represent the investment of funds by the Company to expand its portfolio of rental properties through the development and acquisition of additional rental properties, net of proceeds received from property sales. As noted in the comparison of 2001 to 2000, the Company has sold a significant amount of held for rental property in 2001 and 2000, which has generated proceeds of $436.1 million and $413.8 million in 2001 and 2000, respectively. In addition, the Company has received $59.2 million and $158.4 million of distributions from unconsolidated companies in 2001 and 2000, respectively, which represents a return of the Company s investment in unconsolidated companies generated by financing proceeds from leveraging activities by the unconsolidated companies. The effect of property sales and distributions from unconsolidated companies has significantly reduced the amount of cash used by investing activities in 2001 and 2000, compared to 1999.

The recurring capital needs of the Company are funded primarily through the undistributed net cash provided by operating activities. A summary of the Company s recurring capital expenditures is as follows (in thousands):

	2001	**2000**	**1999**
Tenant improvements	**$ 18,416**	$ 31,955	$ 21,144
Leasing costs	**13,845**	17,530	12,326
Building improvements	**10,873**	6,804	3,751
Total	**$ 43,134**	$ 56,289	$ 37,221

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Financing Activities

Net cash (used for)/provided by financing activities totaling ($470.9) million, ($331.0) million and $436.4 million for the years ended 2001, 2000 and 1999, respectively, is comprised of debt and equity issuances, net of distributions to shareholders and minority interests and repayments of outstanding indebtedness. In 2001, the Company received $36.5 million of net proceeds from the issuance of common shares, $72.2 million of net proceeds from the issuance of preferred shares, and $175.0 million of proceeds from the issuance of unsecured debt. All proceeds were used to reduce amounts outstanding under the Company s lines of credit and to fund the development and acquisition of additional rental properties.

Also in 2001, the Company redeemed its Series A Preferred stock at a cost of $75.0 million, and paid off $128.5 million of secured mortgage debt and an $85.0 million unsecured term loan.

The Company currently has on file a Form S-3 Registration Statement (the Shelf Registration) with the Securities and Exchange Commission, which has remaining availability as of December 31, 2001, of $542.8 million to issue additional common stock, preferred stock, and unsecured debt securities. The Company intends to issue additional securities under this Shelf Registration to fund the development and acquisition of additional rental properties. The Company also has a Shelf Registration on file for at-the-market offerings of 1.5 million shares of common stock.

The Company has the following lines of credit available (in thousands):

Description		Borrowing Capacity	Maturity Date	Interest Rate		Outstanding at December 31, 2001
Unsecured Line of Credit	$	500,000	February 2004	LIBOR + .65%	$	120,000
Unsecured Line of Credit	$	150,000	July 2002	LIBOR + .675%	$	
Secured Line of Credit	$	100,000	January 2003	LIBOR + 1.05%	$	27,590

The lines of credit are used to fund development and acquisition of additional rental properties and to provide working capital.

The $500 million line of credit allows the Company an option to obtain borrowings from the financial institutions that participate in the line of credit at rates lower than the stated interest rate, subject to certain restrictions. Amounts outstanding on the line of credit at December 31, 2001 are at LIBOR + .65%.

The debt outstanding at December 31, 2001, totals $1.8 billion with a weighted average interest rate of 6.81% maturing at various dates through 2028. The Company has $1.5 billion of unsecured debt and $318.5 million of secured debt outstanding at December 31, 2001. Scheduled principal amortization of such debt totaled $10.0 million for the year ended December 31, 2001.

Following is a summary of the scheduled future amortization and maturities of the Company s indebtedness at December 31, 2001 (in thousands):

	Future Repayments						
Year		Scheduled Amortization		Maturities		Total	Weighted Average Interest Rate of Future Repayments
2002	$	11,362	$	56,486	$	67,848	7.25%

2003	10,212	305,719	315,931	7.22%
2004	8,497	296,186	304,683	5.36%
2005	7,057	219,642	226,699	7.17%
2006	5,908	146,179	152,087	7.08%
2007	4,015	116,554	120,569	7.08%
2008	3,605	100,000	103,605	6.74%
2009	3,863	275,000	278,863	7.31%
2010	4,190		4,190	6.37%
Thereafter	15,381	225,000	240,381	6.82%
	$ 74,090	$ 1,740,766	$ 1,814,856	6.81%

Investments in Unconsolidated Companies

The Company has equity interests ranging from 10-50% in unconsolidated partnerships and joint ventures that own and operate rental properties and hold land for development. The equity method of accounting is used for these investments in which the Company has the ability to exercise significant influence, but not control, over operating and financial policies. The combined assets and debt of these unconsolidated companies at December 31, 2001, totaled $1.3 billion and $557 million, respectively. The Company has guaranteed $90 million of secured mortgage debt and agreed to provide additional capital contributions to pay all sums due under an additional $260 million of secured mortgage debt outstanding at December 31, 2001. This total $350 million of debt is collateralized by rental properties of a joint venture with net carrying value substantially in excess of the outstanding debt. If required to make additional capital contributions, the Company will receive proportionately increased ownership in the respective collateralized properties. The Company does not anticipate that it will be required to satisfy the guarantee or additional capital contribution obligations.

In October 2000, the Company expanded an existing joint venture with an institutional real estate investor. In connection with this transaction, the joint venture partners were given an option to put up to a $50 million interest in the joint venture to the Company in exchange for common stock of the Company or cash, subject to timing and other restrictions. As a result of this put option, the Company deferred $10.2 million of gain on sale of depreciated property to the joint venture and recorded a $50 million liability.

Related Party Transactions

The Company provides property management, leasing, construction and other tenant related services to properties in which certain executives have ownership interests. The Company has an option to acquire these executive officers interests in these properties (the Option Properties). The Company received fees totaling $1.7 million, $1.9 million and $2.4 million in 2001, 2000 and 1999, respectively, for services provided to the Option Properties. The fees charged by the Company for such services are equivalent to those charged to third-party owners for similar services.

On June 27, 2001, A. Ray Weeks, Jr. resigned his position as a director and Vice Chairman of the Company. On August 17, 2001, the Company redeemed 620,156 limited partnership units beneficially owned by Mr. Weeks and certain members of his immediate and extended family (the Weeks Affiliates). The deemed value of the units redeemed was $15.7 million, which was based on the average closing stock price of the Company for a certain period of days preceding the redemption date. As consideration for the redemption, the Weeks Affiliates received a distribution of seven industrial rental properties and one undeveloped tract of land located in the Atlanta, Georgia metropolitan area with a value of $31.7 million. The Weeks Affiliates also assumed a loan in the amount of $16 million from Wachovia Bank, N.A. to the Company. The value of the properties distributed to the Weeks Affiliates was based on negotiations between Mr. Weeks and members of the Company s executive committee, and was approved by the unaffiliated members of the Board of Directors.

The Company has other related party transactions that are insignificant and terms are considered to be at arm s-length and equal to those negotiated with independent parties.

Commitments and Contingencies

The Company has the following commitments and contingencies in addition to those previously disclosed:

In 1998 and 1999, members of management and the Board of Directors purchased $69 million of common stock in connection with an Executive and Senior Officer Stock Purchase Plan. The purchases were financed by five-year personal loans at market interest rates from financial institutions. As of December 31, 2001, the outstanding balance on these loans is $40.5 million as some participants have exited the program and repaid their principal balance. As a condition of the financing agreement with the financial institution, the Company has guaranteed repayment of principal, interest and other obligations for each participant, but is fully indemnified by the participants. In the opinion of management, it is not probable that the Company will be required to satisfy these guarantees.

The Company has entered into agreements, subject to the completion of due diligence requirements, resolution of certain contingencies and completion of customary closing conditions, for the future acquisition of land totaling $10.1 million. The acquisitions are scheduled to close periodically through 2002 and will be paid for through a combination of cash or DRLP Limited Partner Unit issuance.

Merger With Weeks Corporation

In July 1999, Weeks Corporation (Weeks), a self-administered, self-managed geographically focused Real Estate Investment Trust (REIT), which operated primarily in the southeastern United States, was merged with and into Duke Realty Investments, Inc. (Duke). The total purchase price of Weeks aggregated approximately $1.9 billion, which included the assumption of the outstanding debt and liabilities of Weeks of approximately $775 million. The transaction was structured as a tax-free merger and was accounted for under the purchase method.

Funds From Operations

Management believes that Funds From Operations (FFO), which is defined by the National Association of Real Estate Investment Trusts as net income or loss, excluding gains or losses from debt restructuring and sales of depreciated property, plus operating property depreciation and amortization and adjustments for minority interest and unconsolidated companies on the same basis, is the industry standard for reporting the operations of real estate investment trusts.

The following reflects the calculation of the Company s FFO for the years ended December 31 (in thousands):

		2001		2000		1999
Net income available for common shares	**$**	**229,967**	$	212,958	$	139,636
Add back (deduct):						
Depreciation and amortization		**159,714**		162,523		110,763
Share of adjustments for unconsolidated companies		**14,177**		9,104		5,268
Earnings from depreciated property sales		**(40,628)**		(51,527)		(8,235)
Minority interest share of add-backs		**(16,483)**		(15,698)		(13,159)
Funds From Operations	**$**	**346,747**	$	317,360	$	234,273
Cash flow provided by (used by):						
Operating activities	**$**	**433,656**	$	449,130	$	315,635
Investing activities		**7,551**		(97,752)		(740,269)
Financing activities		**(470,915)**		(330,952)		436,449

The increase in FFO during the three-year period results primarily from the increased in-service rental property portfolio as discussed above under Results of Operations.

While management believes that FFO is the most relevant and widely used measure of the Company s operating performance, such amount does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered as an alternative to net income as an indicator of the Company s operating performance, and is not indicative of cash available to fund all cash flow needs.

Accounting Changes

In October 2001, FASB issued SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets,* which is effective January 1, 2002. SFAS 144 supersedes and provides additional clarification under the guidelines established by SFAS 121. The Company does not anticipate that the adoption of SFAS 144 will have a material impact on its financial statements.

Item 7A. Quantitative and Qualitative Disclosure About Market Risks

The Company is exposed to interest rate changes primarily as a result of its line of credit and long-term debt used to maintain liquidity and fund capital expenditures and expansion of the Company s real estate investment portfolio and operations. The Company s interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company does not enter into derivative or interest rate transactions for speculative purposes.

The Company s 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 and other terms required to evaluate the expected cash flows and sensitivity to interest rate changes. The fair values of the Company s debt instruments are calculated as the present value of estimated future cash flows using a discount rate commensurate with the risks involved.

	2002	2003	2004	2005	2006	Thereafter	Total	Fair Value
Fixed rate secured debt	$ 16,948	$ 112,404	$ 33,707	$ 25,731	$ 51,066	$ 34,502	$ 274,358	$ 288,620
Weighted average interest rate	7.46%	8.18%	7.99%	7.17%	7.24%	7.80%		
Variable rate LIBOR based secured debt	$	$ 27,590	$	$	$	$	$ 27,590	$ 27,590
Weighted average interest rate	N/A	3.00%	N/A	N/A	N/A	N/A		
Variable rate Treasury based secured debt	$ 665	$ 686	$ 711	$ 741	$ 781	$ 12,952	$ 16,536	$ 16,536
Weighted average interest rate	1.66%	1.65%	1.65%	1.64%	1.64%	1.53%		
Unsecured notes	$ 50,234	$ 175,251	$ 150,264	$ 200,227	$ 100,240	$ 700,156	$ 1,376,372	$ 1,416,019
Weighted average interest rate	7.25%	7.30%	7.01%	7.19%	7.05%	7.09%		
Unsecured lines of credit	$	$	$ 120,000	$	$	$	$ 120,000	$ 120,000
Weighted average interest rate	N/A	N/A	2.58%	N/A	N/A	N/A		

The Company has an interest rate swap agreement in conjunction with a $40 million mortgage loan which matures January 2003, along with the swap agreement. The fair market value of the swap at December 31, 2001, is $(1.6) million.

As the table incorporates only those exposures that exist as of December 31, 2001, it does not consider those exposures or positions which could arise after that date. As a result, the Company s ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, the Company s hedging strategies at that time, and interest rates.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data are included under Item 14 of this Report.

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

None.

Part III

Item 10. Trustees and Executive Officers of the Registrant

Information with respect to the directors of the Company is incorporated by reference from the Company's 2002 Proxy Statement (the "Proxy Statement") for its Annual Meeting of Shareholders to be held on April 24, 2002. Certain information with respect to the Company s executive officers appears in Part 4 of this form 10-K. The information with respect to this item required by item 405 of Regulation S-K is incorporated herein by reference from the Proxy Statement.

Item 11. Executive Compensation

Information with respect to this item is incorporated herein by reference from the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information with respect to this item is incorporated herein by reference from the Proxy Statement.

Item 13. Certain Relationships and Related Transactions

Information with respect to this item is incorporated herein by reference from the Proxy Statement.

Part IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as part of this form 10-K:

1. Consolidated Financial Statements

The following Consolidated Financial Statements of the Company, together with the Independent Auditors Report, are listed below:

Independent Auditors Report

Consolidated Balance Sheets, December 31, 2001 and 2000

Consolidated Statements of Operations, Years Ended December 31, 2001, 2000 and 1999

Consolidated Statements of Cash Flows, Years Ended December 31, 2001, 2000 and 1999

Consolidated Statements of Shareholders Equity, Years Ended December 31, 2001, 2000 and 1999

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 unfilled documents are noted with an asterisk (*).

Number	**Description**
3.1	Second Amended and Restated Articles of Incorporation of the Company, incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed July 16, 1999.
3.2	Amendment to the Second Amended and Restated Articles of Incorporation of the Company, incorporated by reference from Exhibit 3 of the Company's Current Report on Form 8-K filed January 31, 2001.
3.3	Amendment to the Second Amended and Restated Articles of Incorporation.*

3.4 Second Amended and Restated Bylaws of the Company, incorporated by reference from Exhibit 3.2 to the Company's Current Report on Form 8-K filed July 16, 1999.

3.5 First Amendment to Second Amended and Restated By-Laws of the Company.*

4.1 Indenture between DRLP and The First National Bank of Chicago, Trustee, incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 22, 1995.

4.2 First Supplement to Indenture, incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed September 22, 1995.

4.3 Second Supplement to Indenture, incorporated by reference to Exhibit 4 to the DRLP's Current Report on Form 8-K filed July 12, 1996.

4.4 Third Supplement to Indenture, incorporated by reference to Exhibit 4 to the DRLP's Current Report on Form 8-K filed May 20, 1997.

4.5 Fourth Supplement to Indenture, incorporated by reference to Exhibit 4.8 to the Company's Form S-4 Registration Statement No. 333-77645 dated May 4, 1999 (Merger Registration Statement).

4.6 Fifth Supplement to Indenture, incorporated by reference to Exhibit 4 to the DRLP's Current Report on Form 8-K filed June 1, 1998.

4.7 Sixth Supplement to Indenture, incorporated by reference to Exhibit 4 to the DRLP's Current Report on Form 8-K filed February 12, 1999.

4.8 Seventh Supplement to Indenture, incorporated by reference to Exhibit 4 to the DRLP's Current Report on Form 8-K filed June 29, 1999.

4.9 Eighth Supplement to Indenture, incorporated by reference to Exhibit 4 to the DRLP's Current Report on Form 8-K filed November 15, 1999.

4.10 Ninth supplement to Indenture, incorporated by reference to Exhibit 4 to the DRLP's Current Report on Form 8-K filed March 2, 2001.

4.11 1998 Shareholder Rights Agreement, incorporated herein by reference to Exhibit 7.1 to the Company's Current Report on Form 8-K dated July 31, 1998.

4.12 First Amendment to 1998 Shareholder Rights Agreement, incorporated by reference to Exhibit 7.1 to the Company's Current Report on Form 8-K filed December 3, 2001.

10.1 Second Amended and Restated Agreement of Limited Partnership of DRLP, incorporated by reference from Exhibit 4.1 to DRLP's Current Report on Form 8-K filed July 16, 1999.

10.2 First Amendment to Second Amended and Restated Agreement of Limited Partnership of DRLP, incorporated by reference from Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.

10.3 Second Amendment to Second Amended and Restated Agreement of Limited Partnership of DRLP.*

10.4 Third Amendment To Second Amended and Restated Agreement of Limited Partnership of DRLP.*

10.5 Fourth Amendment to Second Amended and Restated Agreement of Limited Partnership of DRLP.*

10.6 Second Amended and Restated Agreement of Limited Partnership of Duke Realty Services Limited Partnership (the Services Partnership) incorporated herein by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

10.7 First Amendment to Second Amended and Restated Agreement of Limited Partnership of the Services Partnership.*

10.8 Second Amendment to Second Amended and Restated Agreement of Limited Partnership of the Services Partnership.*

10.9 Third Amendment to Second Amended and Restated Agreement of Limited Partnership of the Services Partnership.*

10.10 Promissory Note of the Services Partnership incorporated herein by reference to Exhibit 10.3 to the Company's form S-2 Registration Statement No. 33-64038 filed June 8, 1993. (the "1993 Registration Statement".)

10.11 Services Partnership 1993 Stock Option Plan incorporated herein by reference to Exhibit 10.4 to the 1993 Registration Statement.#

10.12 Amendment One to Services Partnership 1993 Stock Option Plan.*#

10.13 Amendment Two to Services Partnership 1993 Stock Option Plan.*#

10.14 Amendment Three to Services Partnership 1993 Stock Option Plan.*#

10.15 Acquisition Option Agreement relating to certain properties not contributed to the Operating Partnership by Duke Associates (the Excluded Properties) incorporated herein by reference to Exhibit 10.5 to the 1993 Registration Statement.

10.16 Management Agreement relating to the Excluded Properties incorporated herein by reference to Exhibit 10.6 to the 1993 Registration Statement.

10.17 Indemnification Agreement incorporated herein by reference to Exhibit 10.11 to the 1993 Registration Statement.

10.18 1995 Key Employee Stock Option Plan of the Company incorporated herein by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.#

10.19 Amendment One To The 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc.*#

10.20 Amendment Two to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc.*#

10.21 Amendment Three to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc.*#

10.22 Amendment Four to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc.*#

10.23 Amendment Five to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc.*#

10.24 Amendment Six to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc.*#

10.25 Amended and Restated Dividend Increase Unit Plan of the Services Partnership.*#

10.26 Amendment One to the Amended and Restated Dividend Increase Unit Plan of Services Partnership.*#

10.27 Amendment Two to the Amended and Restated Dividend Increase Unit Plan of Services Partnership.*#

10.28 1995 Shareholder Value Plan of the Services Partnership incorporated herein by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.#

10.29 Amendment One to the 1995 Shareholder Value Plan of Services Partnership.*#

10.30 Amendment Two to the 1995 Shareholder Value Plan of Services Partnership.*#

10.31 Amendment Three to the 1995 Shareholder Value Plan of Services Partnership.*#

10.32 1998 Duke Realty Severance Pay Plan incorporated herein by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.#

10.33 1999 Directors Stock Option and Dividend Increase Unit Plan incorporated by reference to Annex F to the Prospectus in the Merger Registration Statement.#

10.34 1999 Salary Replacement Stock Option and Dividend Increase Unit Plan incorporated by reference to Annex G to the Prospectus in the Merger Registration Statement.#

10.35 Third Amended and Restated Revolving Credit Agreement dated February 28, 2001, among DRLP as borrower, the Company as General Partner and Guarantor and Bank One as Administrative Agent and Lender.*

10.36 Revolving Credit Agreement dated July 9, 2001, among DRLP as borrower, the Company as General Partner and Guarantor and Bank One as Administrative Agent and Lender.*

11.1 Statement of Computation of Ratios of Earnings to Fixed Charges.*

11.2 Statement of Computation of Ratios of Earnings to Debt Service.*

21. List of Subsidiaries.*

23. Consent of KPMG LLP.*

24. Executed powers of attorney of certain directors.*

99.1 Selected Quarterly Financial Information.*

Represents management contract or compensatory plan or arrangement.

The Company 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 request 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) Reports on Form 8-K

The Company filed a Form 8-K on December 3, 2001, to amend its Rights Agreement dated as of July 23, 1998.

The Company filed a Form 8-K on December 6, 2001, to update the business risks and other important factors that could cause the Company's actual results to differ materially from its expectations expressed in forward-looking statements made by the Company or on its behalf.

(c) Exhibits

The exhibits required to be filed with this Form 10-K pursuant to Item 601 of regulation S-K are listed under "Exhibits" in Part IV, Item 14(a)(3) of this Form 10-K, and are incorporated herein by reference.

(d) Financial Statement Schedule

The Financial Statement Schedule required to be filed with this Form 10-K is listed under "Consolidated Financial Statement Schedules" in Part IV, Item (a)(2) of this Form 10-K, and is incorporated herein by reference.

Independent Auditors Report

The Shareholders and Directors of

Duke Realty Corporation:

We have audited the consolidated financial statements of Duke Realty Corporation and Subsidiaries as listed in the accompanying index. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in the accompanying index. These consolidated financial statements and the financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on the consolidated financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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, 2001 and 2000, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, 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.

KPMG LLP

Indianapolis, Indiana

January 30, 2002

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31

(in thousands, except per share amounts)

	2001	2000
ASSETS		
Real estate investments:		
Land and improvements	$ 583,909	$ 581,530
Buildings and tenant improvements	4,068,944	3,989,033
Construction in progress	154,086	216,938
Investments in unconsolidated companies	323,682	367,581
Land held for development	322,528	257,779
	5,453,149	5,412,861
Accumulated depreciation	(425,721)	(338,426)
Net real estate investments	5,027,428	5,074,435
Cash and cash equivalents	9,483	39,191
Accounts receivable, net of allowance of $2,820 and $1,540	23,142	19,454
Straight-line rent receivable, net of allowance of $841 and $1,460	42,751	34,512
Receivables on construction contracts	30,077	45,394
Deferred financing costs, net of accumulated amortization of $17,459 and $13,288	12,550	12,540
Deferred leasing and other costs, net of accumulated amortization of $41,284 and $31,522	97,117	102,413
Escrow deposits and other assets	87,485	132,097
	$ 5,330,033	$ 5,460,036
LIABILITIES AND SHAREHOLDERS EQUITY		
Indebtedness:		
Secured debt	$ 318,484	$ 466,624
Unsecured notes	1,376,372	1,286,591
Unsecured lines of credit	120,000	220,000
	1,814,856	1,973,215
Construction payables and amounts due subcontractors	54,735	70,105
Accounts payable	2,274	4,312
Accrued expenses:		
Real estate taxes	51,462	51,328
Interest	24,313	28,780
Other	49,973	61,341
Other liabilities	117,577	88,540
Tenant security deposits and prepaid rents	34,644	34,208

Total liabilities		**2,149,834**		2,311,829
Minority interest		**395,190**		435,317
Shareholders equity:				
Preferred shares ($.01 par value); 5,000 shares authorized		**608,664**		608,874
Common shares ($.01 par value); 250,000 shares authorized; 131,416 and 127,932 shares issued and outstanding		**1,314**		1,279
Additional paid-in capital		**2,251,246**		2,180,120
Accumulated other comprehensive income (loss)		**(192)**		
Distributions in excess of net income		**(76,023)**		(77,383)
Total shareholders equity		**2,785,009**		2,712,890
	$	**5,330,033**	$	5,460,036

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)

	2001	2000	1999
RENTAL OPERATIONS:			
Revenues:			
Rental income	**$ 691,958**	$ 697,270	$ 523,950
Equity in earnings of unconsolidated companies	**31,391**	14,556	11,613
	723,349	711,826	535,563
Operating expenses:			
Rental expenses	**121,439**	118,040	88,403
Real estate taxes	**70,665**	70,963	54,246
Interest expense	**113,830**	133,948	86,757
Depreciation and amortization	**159,714**	162,523	110,763
	465,648	485,474	340,169
Earnings from rental operations	**257,701**	226,352	195,394
SERVICE OPERATIONS:			
Revenues:			
General contractor gross revenue	**264,455**	292,661	216,079
General contractor costs	**(229,845)**	(253,763)	(188,021)
Net general contractor revenue	**34,610**	38,898	28,058
Property management, maintenance and leasing fees	**22,824**	25,477	21,941
Construction management and development activity income	**19,142**	16,965	2,870
Other income	**3,883**	1,459	1,162
Total revenue	**80,459**	82,799	54,031
Operating expenses	**45,344**	50,039	36,159
Earnings from service operations	**35,115**	32,760	17,872
General and administrative expense	**(15,559)**	(21,144)	(16,556)
Operating income	**277,257**	237,968	196,710
OTHER INCOME (EXPENSE):			
Interest income	**5,308**	6,866	2,674

Gain on sale of land and depreciable property dispositions, net of impairment allowance		**45,708**		60,692		10,012
Other expense		**(2,582)**		(963)		(1,091)
Other minority interest in earnings of subsidiaries		**(2,411)**		(2,145)		(2,050)
Minority interest in earnings of common unitholders		**(32,463)**		(32,071)		(19,811)
Minority interest in earnings of preferred unitholders		**(8,408)**		(8,408)		(4,204)
Net income		**282,409**		261,939		182,240
Dividends on preferred shares		**(52,442)**		(48,981)		(42,604)
Net income available for common shares	**$**	**229,967**	$	212,958	$	139,636
Net income per common share:						
Basic	**$**	**1.77**	$	1.68	$	1.33
Diluted	**$**	**1.75**	$	1.66	$	1.32
Weighted average number of common shares outstanding		**129,660**		126,836		104,884
Weighted average number of common and dilutive potential common shares		**151,710**		147,441		120,511

See accompanying Notes to Consolidated Financial Statements.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31

(in thousands)

	2001	2000	1999
Cash flows from operating activities:			
Net income	$ **282,409**	$ 261,939	$ 182,240
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	**138,723**	143,800	99,350
Amortization of deferred leasing and other costs	**20,991**	18,723	11,413
Amortization of deferred financing costs	**4,589**	3,527	1,879
Minority interest in earnings	**43,282**	42,624	26,065
Straight-line rent adjustment	**(12,593)**	(14,519)	(10,676)
Earnings from land and depreciated property sales	**(45,708)**	(60,692)	(10,012)
Construction contracts, net	**9,651**	3,252	2,252
Other accrued revenues and expenses, net	**(5,844)**	52,987	13,312
Equity in earnings in excess of operating			
distributions received from unconsolidated companies	**(1,844)**	(2,511)	(188)
Net cash provided by operating activities	**433,656**	449,130	315,635
Cash flows from investing activities:			
Development of real estate investments	**(335,393)**	(392,127)	(479,642)
Acquisition of real estate investments	**(13,927)**	(5,932)	(159,917)
Acquisition of land held for development and infrastructure costs	**(92,203)**	(99,470)	(72,877)
Recurring tenant improvements	**(18,416)**	(31,955)	(21,144)
Recurring leasing costs	**(13,845)**	(17,530)	(12,326)
Recurring building improvements	**(10,873)**	(6,804)	(3,751)
Other deferred leasing costs	**(10,621)**	(39,018)	(31,360)
Other deferred costs and other assets	**1,274**	(12,042)	(8,359)
Tax deferred exchange escrow, net	**27,260**	(16,207)	(11,053)
Proceeds from land and depreciated property sales, net	**436,113**	413,752	76,401
Capital distributions from unconsolidated companies	**59,249**	158,351	16,802
Net investment in and advances to unconsolidated companies	**(21,067)**	(48,770)	(33,043)
Net cash provided (used) by investing activities	**7,551**	(97,752)	(740,269)
Cash flows from financing activities:			
Proceeds from issuance of common shares, net	**36,483**	31,090	214,778
Proceeds (payments) from issuance (repurchase) of preferred shares, net	**72,210**	(1,124)	96,519
Payments for redemption of preferred stock	**(75,018)**		
Proceeds from indebtedness	**175,000**		450,000
Payments on indebtedness including principal amortization	**(223,578)**	(75,689)	(259,891)
Borrowings (payments) on lines of credit, net	**(125,067)**	14,658	167,000

Distributions to common shareholders	**(228,039)**	(207,909)	(154,069)
Distributions to preferred shareholders	**(53,010)**	(48,981)	(42,604)
Distributions to preferred unitholders	**(8,408)**	(8,408)	(4,204)
Distributions to minority interest	**(36,221)**	(33,229)	(23,457)
Deferred financing costs	**(5,267)**	(1,360)	(7,623)
Net cash provided by (used for) financing activities	**(470,915)**	(330,952)	436,449
Net increase (decrease) in cash and cash equivalents	**(29,708)**	20,426	11,815
Cash and cash equivalents at beginning of year	**39,191**	18,765	6,950
Cash and cash equivalents at end of year	**$ 9,483**	$ 39,191	$ 18,765
Other non-cash items:			
Assumption of debt for real estate acquisitions	**$ 16,403**	$	$ 26,186
Contributions of property to unconsolidated companies	**$ 4,501**	$ 245,502	$
Conversion of Limited Partner Units to shares	**$ 36,351**	$ 8,347	$ 49,472
Issuance of Limited Partner Units for real estate acquisitions	**$ 3,787**	$ 7,615	$ 3,146
Transfer of debt in sale of depreciated property	**$ 16,000**	$ 72,650	$
Redemption of Limited Partner Units for sale of depreciated property	**$ 13,445**	$	$

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Shareholders Equity

(in thousands, except per share data)

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Shareholders Equity

(in thousands, except per share data)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Distributions In Excess of Net Income	Total
Balance at December 31, 1998	**$360,000**	**$861**	**$1,277,250**	**$**	**$(67,999)**	**$1,570,112**
Net income					182,240	182,240
Distributions to preferred shareholders					(42,604)	(42,604)
Issuance of common shares, net of underwriting discounts and related costs of $100		102	215,573			215,675
Issuance of preferred shares, underwriting discounts and related costs	100,000		(3,481)			96,519
Acquisition of minority interest		21	49,451			49,472
Merger with Weeks Corporation	150,000	274	600,979			751,253
Repurchase of Series D Preferred shares	(2)					(2)
Distributions to common shareholders ($1.46 per share)					(154,069)	(154,069)
Balance at December 31, 1999	**609,998**	**1,258**	**2,139,772**		**(82,432)**	**2,668,596**
Net income					261,939	261,939
Distributions to preferred shareholders					(48,981)	(48,981)
Issuance of common shares		17	32,005			32,022
Acquisition of minority interest		4	8,343			8,347
Repurchase of Series D Preferred shares	(1,124)					(1,124)
Distributions to common shareholders ($1.64 per share)					(154,069)	(207,909)

Balance at December 31, 2000	**608,874**	**1,279**	**2,180,120**		**(77,383)**	**2,712,890**
Comprehensive Income:						
Net income					282,409	282,409
Distributions to preferred shareholders					(53,010)	(53,010)
Transition adjustment resulting from adoption of SFAS No. 133				398		398
Gains (losses) on derivative instruments				(1,138)		(1,138)
Settlement of derivative instrument				548		548
Comprehensive income available for common shareholders						229,207
Issuance of common shares		20	37,825			37,845
Issuance of preferred shares	75,000		(2,614)			72,386
Acquisition of minority interest		15	36,336			36,351
Repurchase of Series D Preferred shares	(176)					(176)
Redemption of Series A Preferred shares	(75,000)		(18)			(75,018)
Conversion of Series D Preferred shares to common stock	(34)		34			0
Retirement of common shares			(437)			(437)
Distributions to common shareholders ($1.76 per share)					(228,039)	(228,039)
Balance at December 31, 2001	**$608,664**	**$1,314**	**$2,251,246**	**$(192)**	**$(76,023)**	**$2,785,009**

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) The Company

The Company s rental operations are conducted through Duke Realty Limited Partnership (DRLP), an entity in which the Company owns an 88.5% interest at December 31, 2001. The remaining interests in DRLP are redeemable for shares of the Company s common stock. The Company conducts service operations through Duke Realty Services Limited Partnership (DRSLP), in which the Company is the sole general partner. The Company also conducts Service Operations through Duke Construction Limited Partnership (DCLP), which is 100% owned by DRLP. The consolidated financial statements include the accounts of the Company and its majority-owned or controlled subsidiaries.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned or controlled subsidiaries. The equity interests in these majority-owned or controlled subsidiaries not owned by the Company are reflected as minority interests in the consolidated financial statements. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. Investments in entities that the Company does not control through majority voting interest or where the other owner has substantial participating rights are not consolidated and are reflected as investments in unconsolidated companies.

Reclassifications

Certain 1999 and 2000 balances have been reclassified to conform to 2001 presentation.

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Real Estate Investments

Real estate investments to be held for rental are stated at the lower of cost less accumulated depreciation or fair value if impairment is identified. Real estate investments to be disposed of are reported at the lower of their carrying amount or fair value less cost to sell. Buildings and land improvements are depreciated on the straight-line method over their estimated life not to exceed 40 and 15 years, respectively, and tenant improvement costs are depreciated on the straight-line method over the term of the related lease.

All direct and indirect costs, including interest and real estate taxes associated with the development, construction, leasing or expansion of real estate investments are capitalized as a cost of the property. Included in indirect costs is an estimate of internal costs associated with development and rental of real estate investments. All external costs associated with the acquisition of real estate investments are capitalized as a cost of the property.

The Company evaluates its real estate investments to be held and used upon occurrence of significant changes in the operations, but not less than annually, to assess whether any impairment indications are present, including recurring operating losses and significant adverse changes in legal factors or business climate that affect the recovery of the recorded value. If any real estate investment is considered impaired, a loss is provided to reduce the carrying value of the property to its estimated fair value.

The acquisitions of minority interests for the Company s common shares are recorded under the purchase method with assets acquired reflected at the fair market value of the Company s common stock on the date of acquisition, net of the retirement of any minority interest liabilities. The acquisition amounts are allocated to rental property based on their estimated fair values.

The Company has equity interests in unconsolidated partnerships and joint ventures which own and operate rental properties and hold land for development. The equity method of accounting is used for these investments in which the Company has the ability to exercise significant influence, but not control, over operating and financial policies. Any difference between the carrying amount of these investments and the underlying equity in net assets is amortized to equity in earnings of unconsolidated companies over the depreciable life of the property, generally 40 years.

Cash Equivalents

Highly liquid investments with a maturity of three months or less when purchased are classified as cash equivalents.

Deferred Costs

Costs incurred in connection with obtaining financing are amortized to interest expense on the straight-line method over the term of the related loan. All direct and indirect costs, including estimated internal costs, associated with the rental of real estate investments owned by the Company are capitalized and amortized over the term of the related lease. Unamortized costs are charged to expense upon the early termination of the lease or upon early payment of the financing.

Revenues

Rental Operations

Rental income from leases with scheduled rental increases during their terms is recognized on a straight-line basis.

Service Operations

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 for third party contracts are recognized as earned based on the terms of the contract.

The Company recognizes income on long-term construction contracts where the Company serves as a general contractor on the percentage of completion method. Using this method, profits are recorded on the basis of the Company s estimates of the percentage of completion of individual contracts, commencing when progress reaches a point where experience is sufficient to estimate final results with reasonable accuracy. That portion of the estimated earnings is accrued on the basis of the Company s estimates of the percentage of completion based on contract expenditures incurred and work performed.

Property Sales

Gains from sales of depreciated property are recognized in accordance with Statement of Financial Accounting Standards (SFAS) No. 66, and are included in earnings from sales of land and depreciable property dispositions, net of impairment allowance, in the Statement of Operations.

Gains or losses from the sale of property which is considered held for sale in DCLP are recognized in accordance with SFAS 66 and are included in construction management and development activity income in the Statement of Operations.

Net Income Per Common Share

Basic net income per common share is computed by dividing net income available for common shares by the weighted average number of common shares outstanding for the period. Diluted net income per share is

computed by dividing the sum of net income available for common shares and minority interest in earnings

of unitholders, by the sum of the weighted average number of common shares and units outstanding and dilutive potential common shares for the period.

The following table reconciles the components of basic and diluted net income per share:

		2001		**2000**		**1999**
Basic net income available for common shares	**$**	**229,967**	$	212,958	$	139,636
Joint venture partner convertible ownership net income		**3,423**				
Minority interest in earnings of common unitholders		**32,463**		32,071		19,811
Diluted net income available for common shares and dilutive potential common shares	**$**	**265,853**	$	245,029	$	159,447
Weighted average number of common shares outstanding		**129,660**		126,836		104,884
Weighted average partnership common units outstanding		**18,301**		19,070		14,583
Joint venture partner convertible ownership common share equivalents		**2,092**				
Dilutive shares for long-term compensation plans		**1,657**		1,535		1,044
Weighted average number of common shares and dilutive potential common shares		**151,710**		147,441		120,511

The Series D Convertible Preferred stock and the Series G Convertible Preferred limited partner units were anti-dilutive for the years ended December 31, 2001, 2000 and 1999; therefore, no conversion to common shares is included in weighted dilutive potential common shares.

A joint venture partner in one of the Company s unconsolidated companies has the option to convert a portion of its ownership to Company common shares (see discussion in Investments in Unconsolidated Companies section). The effect of the option on earnings per share was dilutive for the year ended December 31, 2001; therefore, conversion to common shares is included in weighted dilutive potential common shares.

Federal Income Taxes

The Company has elected to be taxed as a real estate investment trust (REIT) under the Internal Revenue Code. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 90% of its taxable income to its stockholders. Management intends to continue to adhere to these requirements and to maintain the Company s REIT status. As a REIT, the Company is entitled to a tax deduction for some or all of the dividends it pays to its shareholders. Accordingly, the Company generally will not be subject to federal income taxes as long as it distributes an amount equal to or in excess of its taxable income currently to its stockholders. A REIT generally is subject to federal income taxes on any taxable income that is not currently distributed to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it 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 paid by the Company. In addition, the Company s 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, the Company may also be subject to certain federal excise taxes if it engages in certain types of transactions.

The following table reconciles the Company s net income to its taxable income before the dividends paid deduction for the years ended December 31, 2001, 2000 and 1999:

	2001	2000	1999
Net income	**$ 282,409**	$ 261,939	$ 182,240
Less: net income of taxable subsidiaries included above	**(11,930)**	(9,549)	(3,168)
Net income from REIT operations	**270,479**	252,390	179,072
Depreciation and amortization	**35,184**	25,794	11,751
Property sales	**(18,207)**	(38,823)	(4,618)
Capitalized interest and operating expenses	**(10,325)**	(16,151)	(5,442)
Straight line rent adjustments	**(12,283)**	(12,472)	(10,139)
Dividends from taxable subsidiaries	**8,738**	4,331	0
Other book/tax differences, net	**3,988**	12,688	13,870
Taxable income before adjustments	**277,574**	227,757	184,494
Less: capital gains	**(25,608)**	(7,319)	(2,001)
Adjusted taxable income subject to 90% dividend requirement	**$ 251,966**	$ 220,438	$ 182,493

The Company s dividends paid deduction is summarized below:

	2001	2000	1999
Cash dividends paid	**$ 281,453**	$ 257,373	$ 197,421
Less: Capital gains distribution	**(25,608)**	(7,319)	(2,001)
Less: Return of capital	**(0)**	(21,649)	(5,933)

Total dividends paid deduction attributable to adjusted taxable income	**$**	**255,845**	$	228,405	$	189,487

A summary of the tax characterization of the dividends paid per common share for the years ended December 31, 2001, 2000, and 1999 follows:

	2001	**2000**	**1999**
Total dividends paid per year	**$ 1.76**	$ 1.64	$ 1.46
Ordinary income	**90.9%**	85.6%	94.8%
Return of capital			