

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2020

OR

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

For the transition period from _____ to _____.

Commission File Number: 1-9044 (Duke Realty Corporation) 0-20625 (Duke Realty Limited Partnership)



**DUKE REALTY CORPORATION
DUKE REALTY LIMITED PARTNERSHIP**
(Exact Name of Registrant as Specified in Its Charter)

**Indiana (Duke Realty Corporation)
Indiana (Duke Realty Limited Partnership)
(State or Other Jurisdiction
of Incorporation or Organization)
8711 River Crossing Boulevard
Indianapolis, Indiana
(Address of Principal Executive Offices)**

**35-1740409 (Duke Realty Corporation)
35-1898425 (Duke Realty Limited Partnership)
(I.R.S. Employer
Identification Number)

46240
(Zip Code)**

Registrant's Telephone Number, Including Area Code:

(317) 808-6000

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

	Title of Class	Trading Symbol(s)	Name of Exchange on Which Registered
Duke Realty Corporation	Common Stock, \$0.01 par value	DRE	New York Stock Exchange

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

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Duke Realty Corporation	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Realty Limited Partnership	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Duke Realty Corporation	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Duke Realty Limited Partnership	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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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.

Duke Realty Corporation	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Realty Limited Partnership	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Duke Realty Corporation	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Realty Limited Partnership	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Duke Realty Corporation:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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

Duke Realty Limited Partnership:

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐ Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Duke Realty Corporation	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Realty Limited Partnership	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Duke Realty Corporation	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Duke Realty Limited Partnership	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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The aggregate market value of the voting shares of Duke Realty Corporation's outstanding common shares held by non-affiliates of Duke Realty Corporation is \$13.19 billion based on the last reported sale price on June 30, 2020.

The number of common shares of Duke Realty Corporation, \$0.01 par value outstanding as of February 17, 2021 was 373,765,851.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of Duke Realty Corporation's Definitive Proxy Statement for its 2021 Annual Meeting of Shareholders (the "2021 Proxy Statement") to be filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934, as amended, are incorporated by reference into this Form 10-K. Other than those portions of the 2021 Proxy Statement specifically incorporated by reference pursuant to Items 10 through 14 of Part III hereof, no other portions of the 2021 Proxy Statement shall be deemed so incorporated.

EXPLANATORY NOTE

This report (the "Report") combines the annual reports on Form 10-K for the year ended December 31, 2020 of both Duke Realty Corporation and Duke Realty Limited Partnership. Unless stated otherwise or the context otherwise requires, references to "Duke Realty Corporation" or the "General Partner" mean Duke Realty Corporation and its consolidated subsidiaries; and references to the "Partnership" mean Duke Realty Limited Partnership and its consolidated subsidiaries. The terms the "Company," "we," "us" and "our" refer to the General Partner and the Partnership, collectively, and those entities owned or controlled by the General Partner and/or the Partnership.

Duke Realty Corporation is a self-administered and self-managed real estate investment trust ("REIT") and is the sole general partner of the Partnership, owning 99.1% of the common partnership interests of the Partnership ("General Partner Units") as of December 31, 2020. The remaining 0.9% of the common partnership interests ("Limited Partner Units" and, together with the General Partner Units, the "Common Units") are owned by limited partners. As the sole general partner of the Partnership, the General Partner has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Partnership.

The General Partner and the Partnership are operated as one enterprise. The management of the General Partner consists of the same members as the management of the Partnership. As the sole general partner with control of the Partnership, the General Partner consolidates the Partnership for financial reporting purposes, and the General Partner does not have any significant assets other than its investment in the Partnership. Therefore, the assets and liabilities of the General Partner and the Partnership are substantially the same.

We believe combining the annual reports on Form 10-K of the General Partner and the Partnership into this single report results in the following benefits:

- enhances investors' understanding of the General Partner and the Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation of information since a substantial portion of the Company's disclosure applies to both the General Partner and the Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We believe it is important to understand the few differences between the General Partner and the Partnership in the context of how we operate as an interrelated consolidated company. The General Partner's only material asset is its ownership of partnership interests in the Partnership. As a result, the General Partner does not conduct business itself, other than acting as the sole general partner of the Partnership and issuing public equity from time to time. The General Partner does not issue any indebtedness, but does guarantee some of the unsecured debt of the Partnership. The Partnership holds substantially all the assets of the business, directly or indirectly, and holds the ownership interests related to certain of the Company's investments. The Partnership conducts the operations of the business and has no publicly traded equity. Except for net proceeds from equity issuances by the General Partner, which are contributed to the Partnership in exchange for General Partner Units or Preferred Units, the Partnership generates the capital required by the business through its operations, its incurrence of indebtedness and the issuance of Limited Partner Units to third parties.

Noncontrolling interests, shareholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the General Partner and those of the Partnership. The noncontrolling interests in the Partnership's financial statements include the interests in consolidated investees not wholly owned by the Partnership. The noncontrolling interests in the General Partner's financial statements include the same noncontrolling interests at the Partnership level, as well as the common limited partnership interests in the Partnership, which are accounted for as partners' capital by the Partnership.

In order to highlight the differences between the General Partner and the Partnership, there are separate sections in this report, as applicable, that separately discuss the General Partner and the Partnership, including separate financial statements and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure of the General Partner and the Partnership, this report refers to actions or holdings as being actions or holdings of the collective Company.

TABLE OF CONTENTS

Form 10-K

Item No.		Page(s)
<u>PART I</u>		
1.	<u>Business</u>	<u>3</u>
1A.	<u>Risk Factors</u>	<u>6</u>
1B.	<u>Unresolved Staff Comments</u>	<u>15</u>
2.	<u>Properties</u>	<u>16</u>
3.	<u>Legal Proceedings</u>	<u>19</u>
4.	<u>Mine Safety Disclosures</u>	<u>19</u>
<u>PART II</u>		
5.	<u>Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>20</u>
6.	<u>Selected Financial Data</u>	<u>21</u>
7.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
7A.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>49</u>
8.	<u>Financial Statements and Supplementary Data</u>	<u>50</u>
9.	<u>Changes In and Disagreements With Accountants on Accounting and Financial Disclosure</u>	<u>50</u>
9A.	<u>Controls and Procedures</u>	<u>51</u>
9B.	<u>Other Information</u>	<u>52</u>
<u>PART III</u>		
10.	<u>Directors, Executive Officers and Corporate Governance</u>	<u>52</u>
11.	<u>Executive Compensation</u>	<u>54</u>
12.	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>54</u>
13.	<u>Certain Relationships and Related Transactions, and Director Independence</u>	<u>54</u>
14.	<u>Principal Accountant Fees and Services</u>	<u>54</u>
<u>PART IV</u>		
15.	<u>Exhibits and Financial Statement Schedules</u>	<u>55</u>
16.	<u>Form 10-K Summary</u>	<u>119</u>
	<u>Signatures</u>	<u>124</u>

IMPORTANT INFORMATION ABOUT THIS REPORT

Cautionary Notice Regarding Forward-Looking Statements

Certain statements contained in or incorporated by reference into this Report on Form 10-K for the General Partner and the Partnership, including, without limitation, those related to our future operations, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "believe," "estimate," "expect," "anticipate," "intend," "strategy," "continue," "plan," "seek," "could," "may" and similar expressions or statements regarding future periods are intended to identify forward-looking statements, although not all forward-looking statements may contain such words.

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

- The impact of the COVID-19 pandemic on our business, our tenants and the economy in general, including the measures taken by governmental authorities to address it;
- Changes in general economic and business conditions, including the financial condition of our tenants and the value of our real estate assets;
- Changes to U.S. laws, regulations, rules and policies, including changes that may be forthcoming as a result of the change in administration in the U.S.;
- The General Partner's continued qualification as a REIT for U.S. federal income tax purposes;
- Heightened competition for tenants and potential decreases in property occupancy;
- Potential changes in the financial markets and interest rates;
- Volatility in the General Partner's stock price and trading volume;
- Our continuing ability to raise funds on favorable terms, or at all;
- Our ability to successfully identify, acquire, develop and/or manage properties on terms that are favorable to us;
- Potential increases in real estate construction costs including construction cost increases as the result of trade disputes and tariffs on goods imported in the United States;
- Our real estate asset concentration in the industrial sector and potential volatility in this sector;
- Our ability to successfully dispose of properties on terms that are favorable to us;
- Our ability to successfully integrate our acquired properties;
- Our ability to retain our current credit ratings;
- Inherent risks related to disruption of information technology networks and related systems and cyber security attacks;
- Inherent risks in the real estate business, including, but not limited to, tenant defaults, potential liability relating to environmental matters and liquidity of real estate investments; and
- Other risks and uncertainties described herein, as well as those risks and uncertainties discussed from time to time in our other reports and other public filings with the Securities and Exchange Commission ("SEC").

Although we presently believe that the plans, expectations and anticipated results expressed in or suggested by the forward-looking statements contained in or incorporated by reference into this Report are reasonable, all forward-

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

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

PART I

Item 1. Business

Background

The General Partner and Partnership collectively specialize in the ownership, management and development of bulk distribution ("industrial") real estate.

The General Partner is a self-administered and self-managed REIT, which began operations upon completion of an initial public offering in February 1986.

The Partnership was formed in October 1993, when the General Partner contributed all of its properties and related assets and liabilities, together with the net proceeds from an offering of additional shares of its common stock, to the Partnership. Simultaneously, the Partnership completed the acquisition of Duke Associates, a full-service commercial real estate firm operating in the Midwest whose operations began in 1972. The General Partner is the sole general partner of the Partnership, owning 99.1% of the Common Units at December 31, 2020. The remaining 0.9% of the Common Units are owned by limited partners. Limited partners have the right to redeem their Limited Partner Units, subject to certain restrictions. Pursuant to the Fifth Amended and Restated Agreement of Limited Partnership, as amended (the "Partnership Agreement"), the General Partner is obligated to redeem the Limited Partner Units in shares of its common stock, unless it determines in its reasonable discretion that the issuance of shares of its common stock could cause it to fail to qualify as a REIT. Each Limited Partner Unit shall be redeemed for one share of the General Partner's common stock, or, in the event that the issuance of shares could cause the General Partner to fail to qualify as a REIT, cash equal to the fair market value of one share of the General Partner's common stock at the time of redemption, in each case, subject to certain adjustments described in the Partnership Agreement. The Limited Partner Units are not required, per the terms of the Partnership Agreement, to be redeemed in registered shares of the General Partner.

At December 31, 2020, we owned or jointly controlled 537 primarily industrial properties which encompassed 159.6 million rentable square feet (including 40 unconsolidated joint venture in-service properties with 11.5 million square feet, 16 consolidated properties under development with 6.9 million square feet and one unconsolidated joint venture property under development with 517,000 square feet). Our properties are leased by a diverse base of more than 800 tenants whose businesses include e-commerce, manufacturing, retailing, wholesale trade, and distribution. We have one tenant, to whom we both lease a significant amount of space and also provide general contractor and construction management services, from whom we derived greater than 10.0% of our total revenues. We also owned, including through ownership interests in unconsolidated joint ventures (with acreage not adjusted for our percentage ownership interest), 1,000 acres of land and controlled an additional 800 acres through purchase options.

Our headquarters and executive offices are located in Indianapolis, Indiana. We additionally have regional offices or significant operations in 19 other geographic or metropolitan areas including Atlanta, Georgia; Chicago, Illinois; Cincinnati, Ohio; Columbus, Ohio; Dallas, Texas; Houston, Texas; Minneapolis/St. Paul, Minnesota; Nashville, Tennessee; Raleigh, North Carolina; Savannah, Georgia; Seattle, Washington; St. Louis, Missouri; Washington D.C./Baltimore, Maryland; Central Florida; New Jersey; Northern and Southern California; Pennsylvania and South Florida.

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

Competitive Conditions

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

We believe that the management of real estate opportunities and risks can be done most effectively at regional or on local levels. As a result, we intend to continue our emphasis on increasing our market share, to the extent it is in markets that align with our asset strategy (see Item 7), and effective rents in the primary markets where we own properties. We believe that this regional focus will allow us to assess market supply and demand for real estate more effectively as well as to capitalize on the strong relationships with our tenant base. In addition, we seek to further capitalize on our many strong relationships with customers that operate on a national level. As a fully integrated real estate company, we are able to arrange for or provide to our tenants not only well located and well maintained facilities, but also additional services such as build-to-suit construction, tenant finish construction, and expansion flexibility.

All of our properties are located in areas that include competitive properties. Institutional investors, other REITs or local real estate operators generally own such properties; however, no single competitor or small group of competitors is dominant in our current markets. The supply of and demand for similar available rental properties may affect the rental rates we will receive on our properties. Other competitive factors include the attractiveness of the property location, the quality of the property and tenant services provided, and the reputation of the owner and operator.

Corporate Governance

Since our inception, we not only have strived to be a top-performer operationally, but also to lead in issues important to investors such as disclosure and corporate governance. The General Partner's system of governance reinforces this commitment and, as a limited partnership that has one general partner owning over 90% of the Partnership's common interest, the governance of the Partnership is necessarily linked to the corporate governance of the General Partner. Summarized below are the highlights of the General Partner's Corporate Governance initiatives.

Board Composition

- The General Partner's board is controlled by a supermajority (92.3%) of "Independent Directors," as such term is defined under the rules of the New York Stock Exchange (the "NYSE")
- 50% of the Independent Directors are female or people of color and the General Partner's compensation and human capital committee is chaired by a female

Board Committees

- The General Partner's board committee members are all Independent Directors

Lead Director

- The Lead Director serves as the Chairman of the General Partner's corporate governance committee

Board Policies

- Proactively amended and restated the General Partner's Bylaws to implement proxy access
- Adopted a Board Diversity and Inclusion Policy
- No Shareholder Rights Plan (Poison Pill)
- Code of Business Ethics applies to all directors and employees of the General Partner, including the Chief Executive Officer and senior financial officers; waivers applied to executive officers require the approval of (i) the General Partner's board of directors or (ii) the General Partner's corporate governance committee
- Orientation program for new directors of the General Partner
- Independence of directors of the General Partner is reviewed annually
- Independent Directors of the General Partner meet at least quarterly in executive sessions
- Independent Directors of the General Partner receive no compensation from the General Partner other than as directors
- Equity-based compensation plans require the approval of the General Partner's shareholders
- Board effectiveness and performance is reviewed annually by the General Partner's corporate governance committee
- Individual director evaluations are performed annually
- The General Partner's corporate governance committee conducts an annual review of the Chief Executive Officer succession plan
- Independent Directors and all board committees of the General Partner may retain outside advisors, as they deem appropriate
- Prohibition on repricing of outstanding stock options of the General Partner
- Directors of the General Partner required to offer resignation upon job change
- Majority voting for election of directors of the General Partner
- Human Rights Policy
- Shareholder Communications Policy

Ownership

Minimum Stock Ownership Guidelines apply to all directors and executive officers of the General Partner

The General Partner's Code of Business Ethics (which applies to all directors and employees of the General Partner, including the Chief Executive Officer and senior financial officers) and the Corporate Governance Guidelines are available in the Investor Relations/Corporate Governance section of the General Partner's website at www.dukerealty.com. A copy of these documents may also be obtained without charge by writing to Duke Realty Corporation, 8711 River Crossing Boulevard, Indianapolis, Indiana 46240, Attention: Investor Relations. If we amend our Code of Business Ethics as it applies to the directors and all executive officers of the General Partner or grant a waiver from any provision of the Code of Business Ethics to any such person, we may, rather than filing a current report on Form 8-K, disclose such amendment or waiver in the Investor Relations/Corporate Governance section of the General Partner's website at www.dukerealty.com.

Human Capital

We had approximately 350 employees at December 31, 2020 and our average associate tenure was 12.7 years. Our compensation and human capital committee, a board committee, reviews associate turnover and diversity, as well as associate development and engagement programs. We also routinely conduct associate engagement surveys and have received numerous awards for being a great place to work. While attracting, developing and retaining our talent, we are dedicated to fair compensation, fostering an inclusive and diverse culture and a dynamic and balanced work environment, which provides associates with opportunities to perform well and derive satisfaction from their

work. The compensation structures of many of our senior employees are directly tied to metrics or other objectives that support our corporate strategy.

We require ethical conduct by our employees and all employees are required to complete annual Code of Business Ethics training sessions, and associates and directors must sign off on our Code of Business Ethics every year.

See more information regarding employee benefits and company programs under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Overview - Environmental, Social and Governance Strategy".

Additional Information

For additional information regarding our investments and operations, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data." For additional information about our business segments, see Item 8, "Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements - (10) Segment Reporting."

Available Information

In addition to this Report, we file quarterly and current reports, proxy statements and other information with the SEC. All documents that are filed with the SEC are available free of charge on the General Partner's corporate website, which is www.dukerealty.com. We are not incorporating the information on the General Partner's website into this Report, and the General Partner's website and the information appearing on the General Partner's website is not included in, and is not part of, this Report. You may also access any document filed through the SEC's home page on the Internet (<http://www.sec.gov>).

Item 1A. Risk Factors

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

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

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

Risks Related to the COVID-19 Pandemic

The full effects of the COVID-19 pandemic are highly uncertain and cannot be predicted.

An outbreak of COVID-19, a respiratory disease caused by a novel corona virus, has spread internationally, including in the United States where we operate. In March 2020, the World Health Organization declared the outbreak to be a pandemic, and the President of the United States declared it a national emergency. Globally, population movement and trade have been restricted to varying degrees. Within the United States, since the time of its onset, various state and local governmental authorities have enacted measures, to varying degrees, aimed at minimizing the spread of COVID-19. Although there are vaccines that have been approved and are in the early stages of distribution, it cannot be predicted how long it will take before a sufficient percentage of the United States' population is vaccinated to return to normal conditions. Additionally, new and potentially more contagious variants of COVID-19 have been identified, which could further amplify the impact of the pandemic. In general, there is

much uncertainty regarding the COVID-19 pandemic and it may result in prolonged recessionary conditions that could have a further detrimental impact on our tenant base, our ability to lease vacant space and our ability to grow through development and acquisition.

A prolonged COVID-19 outbreak could negatively impact our operations and financial condition.

Should the major public health issues caused by the COVID-19 outbreak persist for an extended period of time, we could be adversely affected by actions limiting trade and population movement, the movement of goods through the supply chain, and other impacts to the general economy, discretionary spending, business and consumer demand that may diminish the demand and rents for our properties. To date, only an insignificant portion of our tenant base has declared bankruptcy as the result of the COVID-19 pandemic. In the event of the default or insolvency of a significant number of our tenants, we may experience a substantial loss of rental revenue and/or delays in collecting rent and incur substantial costs in enforcing our rights as landlord. If a tenant files for bankruptcy protection, a court could allow the tenant to reject and terminate its lease with us.

As a result, our financial condition, results of operations and distributable cash flow would be adversely affected if a significant number of our tenants became unable to meet their obligations to us, became insolvent or declared bankruptcy, and if we are unable to promptly renew the leases or relet the space, or if the rental rates upon such renewal or reletting are significantly lower than current rates.

Our stock price could be negatively impacted by COVID-19.

The COVID-19 outbreak has resulted in significant market volatility, including large swings in global stock prices that have adversely affected trade and global and local economies. These conditions may worsen in future periods and negatively impact our share price.

COVID-19 could adversely affect our ability to finance our operations.

The COVID-19 outbreak has also adversely impacted financial institutions which could, in future periods, negatively impact their willingness to extend credit or result in adverse changes to the terms at which credit is extended. The United States Federal Government has taken certain measures to support continued liquidity and availability of capital, but there is no guarantee that these measures will continue to be successful. These potential risks could negatively impact our future ability to access capital, which would negatively impact our liquidity and our ability to execute our strategic plans.

The ability of our employees to work may be adversely impacted by COVID-19.

Our workforce, including key employees, could be adversely impacted by the outbreak in future periods. Currently, most of our employees are working remotely and some are working on-site. The impacts of the outbreak could, among other things, negatively affect (i) the operation of our properties, (ii) the timeliness of our strategic decision making, (iii) the operation of an effective cyber security function, (iv) the operation of our key information systems, (v) our ability to make timely filings with the SEC and (vi) our ability to maintain an effective control environment.

Risks Related to Our Business

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

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

then such refinancing would adversely affect our cash flow and funds available for operation, development and distribution.

We also have incurred, and may incur in the future, indebtedness that bears interest at variable rates. Thus, if market interest rates increase, so will our interest expense, which could reduce our cash flow and our ability to make distributions to shareholders and unitholders at expected levels.

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

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

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

The terms of our various credit agreements and other indebtedness require that we comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. These covenants may limit our flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we have satisfied our payment obligations. As a result, we would also likely be unable to borrow any further amounts under our other debt instruments and other debt obligations may be accelerated, which could adversely affect our ability to fund operations.

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

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

Credit rating reductions by one or more rating agencies could also adversely affect our access to funding sources, the cost and other terms of obtaining funding as well as our overall financial condition, operating results and cash flow.

If we are unable to generate sufficient capital and liquidity, then we may be unable to pursue future development projects and other strategic initiatives.

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

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

We have, and may continue to develop properties in, or contribute properties to, joint ventures with other persons or entities when circumstances warrant the use of these structures. Our participation in joint ventures is subject to the risks that:

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

Risks Related to the Real Estate Industry

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

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

- Changes in the general economic climate;
- The availability of capital on favorable terms, or at all;
- Increases in interest rates;
- Local conditions such as oversupply of property or a reduction in demand;
- Competition for tenants;
- Changes in market rental rates;
- Delay or inability to collect rent from tenants who are bankrupt, insolvent or otherwise unwilling or unable to pay;
- Difficulty in leasing or re-leasing space quickly or on favorable terms;
- Costs associated with periodically renovating, repairing and reletting rental space;
- Our ability to provide adequate maintenance and insurance on our properties;
- Our ability to control variable operating costs;
- Changes in government regulations; and
- Potential liability under, and changes in, environmental, zoning, tax and other laws.

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

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

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

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

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

- Unsuccessful development opportunities could result in direct expenses to us;
- Construction costs could increase as the result of trade disputes and tariffs on goods imported in the United States;
- Construction costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or possibly unprofitable;
- Time required to complete the construction of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting our cash flow and liquidity;
- Occupancy rates and rents of a completed project may not be sufficient to make the project profitable; and
- Favorable sources to fund our development activities may not be available.

We may be unsuccessful in operating completed real estate projects.

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

- Prices paid for acquired facilities are based upon a series of market judgments; and
- Costs of any improvements required to bring an acquired facility up to standards to establish the market position intended for that facility might exceed budgeted costs.

As a result, we may develop or acquire projects that are not profitable.

Our investments are concentrated in the industrial sector and our business would be adversely affected by an economic downturn in that sector.

Our investments in real estate assets are concentrated in the industrial sector. This concentration may expose us to the risk of economic downturns in this sector to a greater extent than if our business activities were more diversified.

We are exposed to the risks of defaults by tenants.

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

We may be unable to renew leases or relet space.

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

Our insurance coverage on our properties may be inadequate.

We maintain comprehensive insurance on each of our facilities, including property, liability and environmental coverage. We believe this coverage is of the type and amount customarily obtained for real property. However, there are certain types of losses, generally of a catastrophic nature, such as hurricanes, earthquakes and floods or acts of war or terrorism that may be uninsurable or not economically insurable. We use our discretion when determining amounts, coverage limits and deductibles for insurance. These terms are determined based on retaining an acceptable level of risk at a reasonable cost. This may result in insurance coverage that in the event of a substantial loss would not be sufficient to pay the full current replacement cost of the damaged assets. Inflation, changes in building codes and ordinances, environmental considerations, acts of a governmental authority and other factors also may make it unfeasible to collect insurance proceeds to replace a facility after it has been damaged or destroyed. If an uninsured or underinsured loss occurred, we could lose both our investment in and anticipated profits and cash flow from a property, and we would continue to be obligated on any mortgage indebtedness or other obligations related to the property. We are also subject to the risk that our insurance providers may be unwilling or unable to pay our claims when made.

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

Our asset strategy is to increase our investment concentration in coastal Tier 1 markets. There can be no assurance that we will be able to execute our strategy or that our execution of such strategy will lead to improved results.

Acquired properties may expose us to unknown liability.

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

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

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

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

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

We are exposed to potential physical risks from possible future changes in climate. We have a significant investment in properties in coastal markets such as Southern California, Northern California and South Florida and have also targeted those markets for future growth. Those coastal markets have historically experienced severe weather events, such as storms and drought, as well as other natural catastrophes such as wildfires and floods. If the frequency of extreme weather and other natural events increases due to climate change, our exposure to these events could increase. We may also be adversely impacted as a real estate developer in the future by stricter energy and water efficiency standards as well as water access for our buildings.

Risks Related to Our Organization and Structure

If the General Partner were to cease to qualify as a REIT, it would lose significant tax benefits.

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

- The General Partner would not be allowed a deduction for dividends distributed to shareholders and would be subject to federal corporate income tax (and any applicable state and local income taxes) on its taxable income at regular corporate income tax rates;
- Unless the General Partner was entitled to relief under certain statutory provisions, it would be disqualified from treatment as a REIT for the four taxable years following the year during which it ceased to qualify as a REIT;
- The General Partner's net earnings available for investment or distribution to its shareholders would decrease due to the additional tax liability for the year or years involved; and
- The General Partner would no longer be required to make any distributions to shareholders in order to qualify as a REIT.

As such, the General Partner's failure to qualify as a REIT would likely have a significant adverse effect on the value of the General Partner's securities and, consequently, the Partnership's Units.

REIT distribution requirements limit the amount of cash we have available for other business purposes, including amounts that we need to fund our future capital needs.

To maintain its qualification as a REIT under the Code, the General Partner must annually distribute to its shareholders at least 90% of its REIT taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. The General Partner intends to continue to make distributions to its shareholders to comply with the 90% distribution requirement. However, this requirement limits our ability to accumulate capital for use for other business purposes. If we do not have sufficient cash or other liquid assets to meet the distribution requirements of the General Partner, we may have to borrow funds or sell properties on adverse terms in order to meet the distribution requirements. If the General Partner fails to satisfy the distribution requirement, it would cease to qualify as a REIT.

U.S. federal income tax treatment of REITs and investments in REITs may change in a manner that could adversely affect us or shareholders.

Legislative, regulatory or administrative changes could be enacted or promulgated at any time, either prospectively or with retroactive effect, and may adversely affect us and/or shareholders.

General Risk Factors

Our business and operations could suffer in the event of system failures or cyber security attacks.

Our systems are vulnerable to damages from any number of sources, including energy blackouts, natural disasters, terrorism, war, telecommunication failures and cyber security attacks, such as computer viruses, computer hacking, acts of vandalism or theft, malware or other malicious codes, phishing, employee error or malfeasance, or other unauthorized access. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business. We may also incur additional costs to remedy damages caused by such disruptions. Any future significant compromise or breach of our data security, whether external or internal, or misuse of customer, associate, supplier or company data, could result in significant costs, lost sales, fines, lawsuits, and damage to our reputation. Any compromise of our security could also result in a violation of applicable privacy and other laws, unauthorized access to information of ours and others, significant legal and financial exposure, damage to our reputation, loss or misuse of the information and a loss of confidence in our security measures, which could harm our business.

We have programs in place to detect, contain and respond to data security incidents. However, the ever-evolving threats mean we and our third-party service providers and vendors must continually evaluate and adapt our respective systems and processes and overall security environment. Even the most well protected information, networks, systems and facilities remain potentially vulnerable when considering the rapid pace of change in this area. There can be no assurance that our efforts to maintain the security and integrity of our systems will be effective, or that we will be able to maintain our systems free from security breaches, system compromises, misuses of data, or other operational interruptions. Accordingly, we may be unable to prevent major security breaches or entirely mitigate the risk of other system interruptions or failures.

We could also be negatively impacted by similar disruptions to the operations of our vendors or outsourced service providers.

The General Partner's stock price and trading volume may be volatile, which could result in substantial losses to its shareholders and to the Partnership's unitholders, if and when they convert their Limited Partner Units to shares of the General Partner's common stock.

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

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

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

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

Ownership Restriction. Subject to certain exceptions, the General Partner's charter provides that no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (in value or by number of shares, whichever is more restrictive) of the General Partner's outstanding common stock or 9.8% in value of its outstanding stock.

Unissued Preferred Stock. The General Partner's charter permits its board of directors to classify unissued preferred stock by setting the rights and preferences of the shares at the time of issuance. This power enables the General Partner's board to adopt a shareholder rights plan, also known as a poison pill. Although the General Partner has repealed its previously existing poison pill and its current board of directors has adopted a policy not to adopt a shareholder rights plan without shareholder approval, the General Partner's board can change this policy at any time. The adoption of a poison pill would discourage a potential bidder from acquiring a significant position in the General Partner without the approval of its board.

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

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

Supermajority Voting Provisions. The General Partner's charter prohibits business combinations or significant disposition transactions with a holder of 10% of its shares unless:

- The holders of 80% of the General Partner's outstanding shares of capital stock approve the transaction;
- The transaction has been approved by three-fourths of those directors who served on the General Partner's board before the shareholder became a 10% owner; or
- The significant shareholder complies with the "fair price" provisions of the General Partner's charter.

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

Operating Partnership Provisions. The limited partnership agreement of the Partnership contains provisions that could discourage change-of-control transactions, including a requirement that holders of at least 90% of the outstanding Common Units approve:

- Any voluntary sale, exchange, merger, consolidation or other disposition of all or substantially all of the assets of the Partnership in one or more transactions other than a disposition occurring upon a financing or refinancing of the Partnership;

- The General Partner's merger, consolidation or other business combination with another entity unless after the transaction substantially all of the assets of the surviving entity are contributed to the Partnership in exchange for Common Units;
- The General Partner's assignment of its interests in the Partnership other than to one of its wholly owned subsidiaries; and
- Any reclassification or recapitalization or change of outstanding shares of the General Partner's common stock other than certain changes in par value, stock splits, stock dividends or combinations.

We are dependent on key personnel.

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

Item 1B. Unresolved Staff Comments

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

Item 2. Properties

Product Review

As of December 31, 2020, we own interests in 537 primarily industrial properties encompassing 159.6 million net rentable square feet (including 40 unconsolidated joint venture in-service properties with 11.5 million square feet, 16 consolidated properties under development with 6.9 million square feet and one unconsolidated joint venture property under development with 517,000 square feet).

Industrial Properties: We own interests in 534 industrial properties encompassing 159.4 million square feet (99.9% of our total square feet). These properties are primarily logistics facilities with clear ceiling heights of 28 feet or more.

Non-reportable: We own interests in three buildings, which are not industrial properties and are not presented within our reportable segments, totaling 211,000 square feet (0.1% of our total square feet).

See Consolidated Financial Statement Schedule III - Real Estate Properties and Accumulated Depreciation for a detailed listing of the Company's properties and related encumbrances.

Land: We own, including through ownership interests in unconsolidated joint ventures (with acreage not adjusted for our percentage ownership interest), 1,000 acres of land and control an additional 800 acres through purchase options. Over 500 acres of the 600 acres of land that we directly own, are intended to be used for the development of industrial properties and can support over 7.3 million square feet of industrial developments. All of our approximately 400 acres of land held by unconsolidated joint ventures, are also intended to be used for the development of industrial properties. We directly own approximately 100 acres of land that we do not consider strategic and that will be sold to the extent that market conditions permit us to achieve what we believe to be acceptable sale prices.

Property Descriptions

The following tables represent the geographic highlights of consolidated and unconsolidated joint venture in-service properties in our primary markets.

Consolidated Properties

	Square Feet				Annual Net Effective Rent (1)	Annual Net Effective Rent per Square Foot (2)	Percent of Annual Net Effective Rent
	Industrial	Non-Reportable	Overall	Percent of Overall			
Primary Market							
Southern California	12,555,202	—	12,555,202	8.9 %	\$ 81,524,024	\$ 6.49	11.2 %
New Jersey	7,361,852	—	7,361,852	5.2 %	72,296,547	9.82	9.9 %
South Florida	8,525,928	—	8,525,928	6.1 %	66,587,602	7.90	9.1 %
Chicago	15,065,460	—	15,065,460	10.7 %	64,280,294	4.46	8.8 %
Atlanta	12,380,606	—	12,380,606	8.8 %	49,290,819	4.06	6.8 %
Dallas	10,732,386	—	10,732,386	7.6 %	41,813,080	3.90	5.7 %
Cincinnati	9,114,047	91,843	9,205,890	6.6 %	32,381,691	3.80	4.5 %
Indianapolis	9,107,683	—	9,107,683	6.5 %	32,262,732	3.60	4.4 %
Houston	6,801,911	—	6,801,911	4.8 %	32,229,309	5.20	4.4 %
Savannah	7,329,816	—	7,329,816	5.2 %	31,559,814	4.31	4.3 %
Pennsylvania	5,270,424	—	5,270,424	3.7 %	29,502,428	5.60	4.1 %
Minneapolis-St. Paul	5,143,303	—	5,143,303	3.7 %	26,326,139	5.42	3.6 %
Central Florida	4,332,233	—	4,332,233	3.1 %	22,555,651	5.43	3.1 %
DC-Baltimore	3,282,696	—	3,282,696	2.3 %	22,463,762	6.90	3.1 %
St. Louis	5,181,945	—	5,181,945	3.7 %	22,120,057	4.27	3.0 %
Seattle	3,519,794	—	3,519,794	2.5 %	22,109,078	7.31	3.0 %
Nashville	3,645,368	—	3,645,368	2.6 %	20,635,215	5.78	2.8 %
Columbus	5,319,877	—	5,319,877	3.8 %	19,953,489	3.75	2.8 %
Raleigh	3,147,350	—	3,147,350	2.2 %	19,868,866	6.33	2.7 %
Northern California	2,693,432	—	2,693,432	1.9 %	16,081,354	6.50	2.2 %
Other (3)	—	119,030	119,030	0.1 %	3,487,188	29.30	0.5 %
Total	140,511,313	210,873	140,722,186	100.0 %	\$ 729,329,139	\$ 5.32	100.0 %
Percent of Overall	99.9 %	0.1 %	100.0 %				
Annual Net Effective Rent per Square Foot (2)	\$ 5.30	\$ 22.31	\$ 5.32				

Unconsolidated Joint Venture Properties

	Square Feet		Annual Net Effective Rent (1)	Annual Net Effective Rent per Square Foot (2)	Percent of Annual Net Effective Rent
	Industrial	Percent of Overall			
<u>Primary Market</u>					
Dallas	6,047,818	52.8 %	\$ 27,614,035	\$ 4.68	56.5 %
Indianapolis	4,850,430	42.3 %	18,963,269	3.91	38.8 %
Columbus	357,504	3.1 %	1,419,394	3.97	2.9 %
Cincinnati	57,886	0.5 %	398,667	6.89	0.8 %
Other (3)	152,944	1.3 %	472,951	3.09	1.0 %
Total	11,466,582	100.0 %	\$ 48,868,316	\$ 4.32	100.0 %
Percent of Overall	100.0 %				
Annual Net Effective Rent per Square Foot (2)	\$ 4.32				

	Percent Leased				
	Consolidated Properties			Unconsolidated Properties	
	Industrial	Non-Reportable	Overall	Industrial	Overall
<u>Primary Market</u>					
Southern California	100.0 %	—	100.0 %	—	—
New Jersey	100.0 %	—	100.0 %	—	—
South Florida	98.8 %	—	98.8 %	—	—
Chicago	95.6 %	—	95.6 %	—	—
Atlanta	98.0 %	—	98.0 %	—	—
Dallas	100.0 %	—	100.0 %	97.5 %	97.5 %
Cincinnati	92.6 %	92.8 %	92.6 %	100.0 %	100.0 %
Indianapolis	98.5 %	—	98.5 %	100.0 %	100.0 %
Houston	91.1 %	—	91.1 %	—	—
Savannah	100.0 %	—	100.0 %	—	—
Pennsylvania	100.0 %	—	100.0 %	—	—
Minneapolis-St. Paul	94.4 %	—	94.4 %	—	—
Central Florida	95.9 %	—	95.9 %	—	—
DC-Baltimore	99.2 %	—	99.2 %	—	—
St. Louis	100.0 %	—	100.0 %	—	—
Seattle	85.9 %	—	85.9 %	—	—
Nashville	97.9 %	—	97.9 %	—	—
Columbus	100.0 %	—	100.0 %	100.0 %	100.0 %
Raleigh	99.7 %	—	99.7 %	—	—
Northern California	91.9 %	—	91.9 %	—	—
Other (3)	—	100.0 %	100.0 %	100.0 %	100.0 %
Total	97.4 %	96.8 %	97.4 %	98.7 %	98.7 %

- (1) Represents the average annual base rental payments, on a straight-line basis for the term of each lease, from space leased to tenants as of December 31, 2020, excluding amounts paid by tenants as reimbursement for operating expenses. Unconsolidated joint venture properties are shown at 100% of square feet and net effective rents, without regard to our ownership percentage.
- (2) Annual net effective rent per leased square foot.
- (3) Represents properties not located in our primary markets.

Item 3. Legal Proceedings

We are not subject to any pending legal proceedings, other than routine litigation arising in the ordinary course of business. We do not expect these legal proceedings to have a material adverse effect on our financial condition, results of operations, or liquidity.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

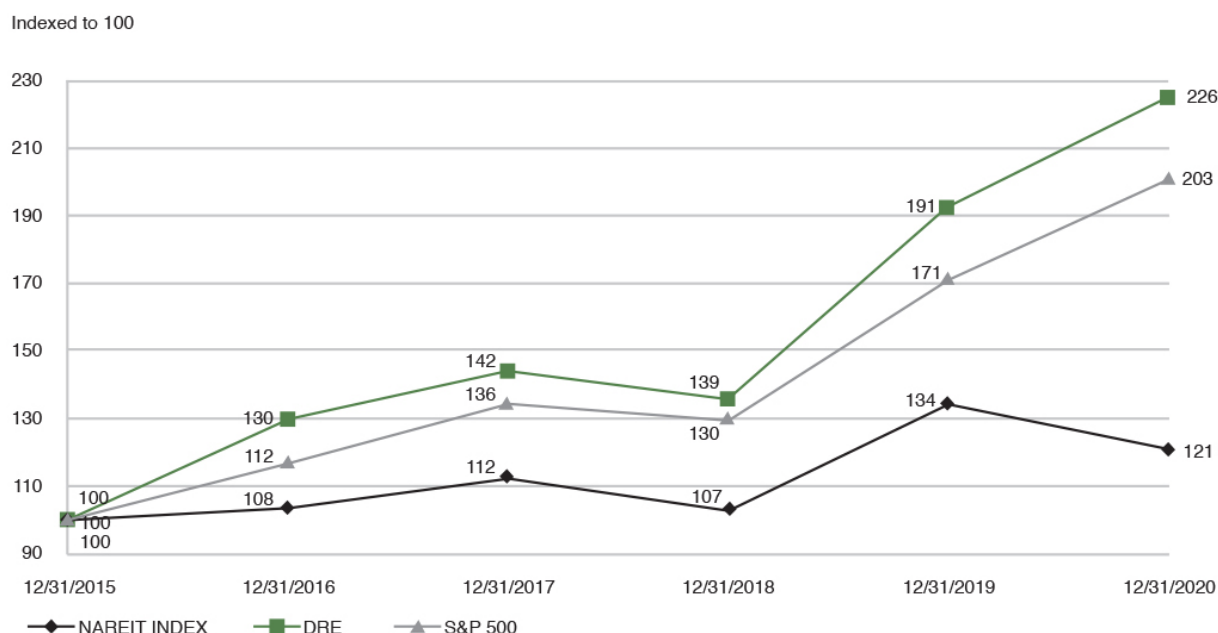
Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information and Holders

The General Partner's common stock is listed for trading on the NYSE under the symbol "DRE." There is no established trading market for the Partnership's Common Units. As of February 17, 2021, there were 4,656 record holders of the General Partner's common stock and 79 record holders of the Partnership's Common Units.

Stock Performance Graph

The following line graph compares the change in the General Partner's cumulative total shareholders' return on shares of its common stock to the cumulative total return of the Standard and Poor's 500 Stock Index ("S&P 500") and the FTSE NAREIT Equity REITs Index ("NAREIT Index") from December 31, 2015 to December 31, 2020. The graph assumes an initial investment of \$100 in the common stock of the General Partner and each of the indices on December 31, 2015, and the reinvestment of all dividends. The performance graph is not necessarily indicative of future performance.



This graph and the accompanying text are not “soliciting material,” are not deemed filed with the SEC and are not to be incorporated by reference in any filing by the company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Tax Characterization of Dividends

A summary of the tax characterization of the dividends paid per common share of the General Partner for the years ended December 31, 2020, 2019 and 2018 follows:

	2020	2019	2018
Total dividends paid per share	\$ 0.96	\$ 0.88	\$ 0.815
Ordinary income	74.6 %	80.7 %	78.4 %
Capital gains	25.4 %	19.3 %	21.6 %
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Uses of Liquidity - Dividend and Distribution Requirements", below, for more information on our dividend policy.

Sales of Unregistered Securities

The General Partner did not sell any of its securities during the year ended December 31, 2020 that were not registered under the Securities Act.

Issuer Purchases of Equity Securities

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

During 2020 we did not repurchase any equity securities under the Repurchase Program.

On January 27, 2021 the General Partner's board of directors adopted a resolution that amended and restated the Repurchase Program and delegated authority to management to repurchase a maximum of \$300.0 million of the General Partner's common shares, \$750.0 million of the Partnership's debt securities and \$500.0 million of the General Partner's preferred shares, subject to the prior notification of the Chairperson of the finance committee of the board of directors of planned repurchases within these limits.

Item 6. Selected Financial Data

None.

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

The following discussion should be read in conjunction with the Consolidated Financial Statements included in Item 15. Exhibits and Financial Statement Schedules of this report and the matters described under Item 1A. Risk Factors.

A discussion regarding our financial condition and results of operations for 2020 compared to 2019 is under the Results of Operations section below. Our financial condition for 2018 and results of operations for 2019 compared to 2018 can be found under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, which is incorporated herein by this reference to our Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2019, filed with the SEC on February 25, 2020, and is available on the SEC's website at www.sec.gov and the Investor Relations section of our website at www.dukerealty.com.

Business Overview

The General Partner and Partnership collectively specialize in the ownership, management and development of industrial real estate. The General Partner is a self-administered and self-managed REIT that began operations in 1986 and is the sole general partner of the Partnership. The Partnership is a limited partnership formed in 1993, at which time all of the properties and related assets and liabilities of the General Partner, as well as proceeds from a secondary offering of the General Partner's common shares, were contributed to the Partnership. Simultaneously, the Partnership completed the acquisition of Duke Associates, a full-service commercial real estate firm operating in the Midwest whose operations began in 1972. We operate the General Partner and the Partnership as one enterprise, and therefore, our discussion and analysis refers to the General Partner and its consolidated subsidiaries, including the Partnership, collectively.

Our business operations primarily consist of two reportable operating segments: rental operations of industrial properties and service operations. Rental operations of industrial properties represent the ownership and development of industrial properties and is the primary component of our revenues and earnings. Service operations generate additional revenues from providing various real estate services primarily relating to development, construction management and property management services to customers, unconsolidated joint ventures and third-party owners.

Our overall strategy is to increase our investment in quality industrial properties primarily through development, on both a speculative and build-to-suit basis, supplemented with acquisitions in the markets we believe have the highest growth potential.

At December 31, 2020, we:

- Owned or jointly controlled 537 primarily industrial properties, of which 520 properties with 152.2 million square feet were in service and 17 properties with 7.4 million square feet were under development. The 520 in-service properties were comprised of 480 consolidated properties with 140.7 million square feet and 40 unconsolidated joint venture properties with 11.5 million square feet. The 17 properties under development consisted of 16 consolidated properties with 6.9 million square feet and one unconsolidated joint venture property with 517,000 square feet.
- Owned directly, or through ownership interests in unconsolidated joint ventures (with acreage not adjusted for our percentage ownership interest), approximately 1,000 acres of land and controlled approximately 800 acres through purchase options.

Nationwide demand for industrial properties continues to be strong in the current economic environment as the COVID-19 pandemic has accelerated both consumer acceptance of e-commerce and the requirements of many retailers to increase inventory levels. Our operational focus is to maintain occupancy at high levels and to focus on rental rate growth. The occupancy of our consolidated industrial portfolio increased to 97.4% at December 31, 2020 as compared to 96.6% at December 31, 2019. Our annual net effective rents for both renewals and new second generation leases, on a combined basis, for consolidated properties grew 28.2% in 2020 compared to 2019. In the current environment of rising rental rates for industrial properties in many of the markets in which we operate, we believe there is potential for continued future rental rate growth to the extent we are able to renew or backfill expiring leases and maintain high levels of occupancy.

Operational Strategy

Our operational focus is to drive profitability by maximizing cash from operations as well as NAREIT FFO through (i) maintaining property occupancy, increasing rental rates and prioritizing timely collection of monthly rental payments, while also keeping lease-related capital costs contained, by effectively managing our portfolio of existing properties; (ii) selectively developing new build-to-suit, substantially pre-leased and, in select markets, speculative development projects; and (iii) providing a full line of real estate services to our tenants and to third parties.

Asset Strategy

Our strategic objectives include (i) increasing our investment in quality industrial properties through development, including facilities with sustainable design features that will meet customer needs; (ii) acquiring properties primarily in coastal Tier 1 markets which we believe provide the best potential for future rental growth; and (iii) maintaining an optimal land inventory through selected strategic land acquisitions and new development activity. We are continuing to execute our asset strategy through a disciplined approach by identifying development opportunities, identifying select acquisition targets where the asset quality and pricing meet our objectives and continually evaluating our portfolio for disposition by regularly identifying assets that no longer meet our long-term objectives.

Capital Strategy

Our capital strategy is to maintain a strong balance sheet by actively managing the components of our capital structure in coordination with the execution of our overall operational and asset strategies. We are focused on maintaining our current investment grade ratings from our credit rating agencies. As of December 31, 2020, our senior unsecured notes have been assigned a rating of Baa1 by Moody's Investors Services and BBB+ by Standard & Poor's Ratings Group and we are focused on maintaining such ratings in order to maintain access to liquidity. A securities rating is not a recommendation to buy, sell, or hold securities and is subject to revision or withdrawal at any time by the rating organization.

In support of our capital strategy, we employ an asset disposition program to sell certain real estate assets, which generate proceeds that can be recycled into new property investments that better fit our growth objectives or otherwise manage our capital structure.

We continue to focus on maintaining a balanced and flexible capital structure which includes: (i) extending and sequencing the maturity dates of our outstanding debt obligations; (ii) borrowing primarily at fixed rates; and (iii) issuing common equity as needed to maintain appropriate leverage parameters or support significant strategic developments or acquisitions. With our successes to date and continued focus on maintaining a strong balance sheet, we expect to be in a position to be opportunistic in our investment opportunities.

Environmental, Social and Governance ("ESG") Strategy

We are focused on promoting our growth in a sustainable way, one that succeeds by delivering long-term value for our stakeholders. As part of our vision to continually set the standard for maximizing stakeholder value, we have a long-standing commitment to sustainable practices in environmental, social and corporate governance initiatives. On December 17, 2019, we adopted a Sustainable Development Policy intended to increase the operational efficiency of our buildings and promote sustainable design principles. We are committed to integrating innovative, sustainable building design features in alignment with U.S. Green Building Council's® Leadership in Energy and Environmental Design (or LEED®), including constructing to LEED® criteria and achieving certification in all new developments where feasible. While we do not control most of the utility usage at our properties, we have been partnering with a third party data management provider since 2018 in order to help monitor and manage the utility usage that we do control. In 2018, we also became a member of GRESB, a leading provider of real estate ESG benchmarking and performance assessments. Since joining, our GRESB score has steadily increased, evidencing our commitment and continued progress. We expect to continue participating in the GRESB benchmarking assessments.

In October 2018, the Sustainability Accounting Standards Board issued the Real Estate Sustainability Accounting Standards. The standards are intended to provide a minimum set of sustainability metrics for disclosure in SEC filings, such as this Form 10-K. We understand the importance of reporting comparable, consistent and financially material sustainability metrics. Below is a chart showing our information for the applicable metrics.

Topic	Accounting Metric	Code	Our Information
Energy Management	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	We integrate energy usage reduction measures on all new developments, incorporating LEED certification requirements and applicable aspects of our own sustainability policies/programs. These measures include energy modeling, high efficiency equipment (HVAC and lighting), and climate zone appropriate design factors. We have an ongoing lighting retrofit program, replacing outdated light fixtures with LED high efficiency fixtures. In 2020 we partnered with solar developers to increase the number of buildings in our portfolio with rooftop solar panels.
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	We integrate water reduction measures on all new developments and renovation, incorporating LEED certification or applicable aspects of our own sustainability policies/programs. These measures include the use of WaterSense® fixtures for all domestic usage, xeriscaping to minimize or eliminate the need for irrigation, and water usage monitoring, where available and appropriate.
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	10.8 million square feet.

In January 2021, we issued \$450.0 million of senior unsecured notes with a stated interest rate of 1.75%, which will mature on February 1, 2031. These notes are our second green bond issuance with the first issuance completed in November 2019. The net proceeds will be used to finance future or refinance recently completed “eligible green projects”. These projects may include green buildings, energy efficiency projects, sustainable water and wastewater management systems, renewable energy projects, clean transportation solutions and pollution prevention and control.

In addition to our environmental initiatives, we are committed to fair compensation, fostering a dynamic and balanced work environment and providing employees with developmental opportunities to perform well and derive satisfaction from their work. We encourage our associates to participate in volunteer and community activities and support those who do participate by providing each associate with two paid community days per year. We also have charitable contribution programs, such as our dollars for doers program (matching dollars for volunteer hours spent) and our matching gifts program (matching dollars for employee donations to charities). In addition, we partner with various charitable organizations, including the American Red Cross since 2017. We maintain a formal and structured diversity, equity and inclusion program. We have increased diversity within our board of directors and 50% of the Independent Directors of the board are female or people of color. We implemented a Vendor Code of Conduct that outlines our expectations and standards for how our vendors operate while doing business on our behalf. Through all of these initiatives and others, we endeavor to make a positive impact on the communities in which we conduct business.

We strive to maintain an effective corporate governance structure and comply with applicable laws, rules, regulations and policies. Further, we publish Corporate Responsibility Reports that formally communicate our commitments and leadership around ESG issues. Please see “Item 1-Corporate Governance” for more information regarding our governance initiatives.

Through all of our environmental, social and governance efforts, we demonstrate that operating and developing commercial real estate can be conducted with a conscious regard for the environment and community, while also benefiting our investors, employees, tenants and the communities in which we operate.

Results of Operations

A summary of our operating results and property statistics for each of the years in the three-year period ended December 31, 2020, is as follows (in thousands, except number of properties and per share or per Common Unit data):

	2020	2019	2018
Rental and related revenue from continuing operations	\$ 929,194	\$ 855,833	\$ 785,319
General contractor and service fee revenue	64,004	117,926	162,551
Operating income	417,846	524,761	460,356
General Partner			
Net income attributable to common shareholders	\$ 299,915	\$ 428,972	\$ 383,729
Weighted average common shares outstanding	370,057	362,234	357,569
Weighted average common shares and potential dilutive securities	374,156	367,339	363,297
Partnership			
Net income attributable to common unitholders	\$ 302,578	\$ 432,650	\$ 387,257
Weighted average Common Units outstanding	373,360	365,352	360,859
Weighted average Common Units and potential dilutive securities	374,156	367,339	363,297
General Partner and Partnership			
Basic income per common share or Common Unit:			
Continuing operations	\$ 0.81	\$ 1.18	\$ 1.06
Discontinued operations	\$ —	\$ —	\$ 0.01
Diluted income per common share or Common Unit:			
Continuing operations	\$ 0.80	\$ 1.18	\$ 1.06
Discontinued operations	\$ —	\$ —	\$ 0.01
Number of in-service consolidated properties at end of year	480	459	462
In-service consolidated square footage at end of year	140,722	135,451	133,047
Number of in-service unconsolidated joint venture properties at end of year	40	38	39
In-service unconsolidated joint venture square footage at end of year	11,467	10,976	11,101

Year in Review

The United States economy in 2020 experienced an unprecedented downturn as a result of the COVID-19 pandemic with the gross domestic product declining by 3.5%. The recession was caused by dramatic changes in consumer behavior linked to business shutdowns, travel restrictions, and social distancing during the pandemic. The magnitude of the declines in gross domestic product and employment in the spring was unprecedented. Since then, economic activity and job growth have begun to recover as parts of the economy reopened, bolstered by the initial dissemination of vaccines and government stimulus, but remain well below pre-pandemic levels. The 10-year treasury yield trended down throughout the year fluctuating from 0.5% to 1.9% and ending the year at 0.9%, down from 1.9% at the end of 2019. While the economy has declined overall during 2020, the industrial real estate sector has been one of the most resilient sectors during the pandemic, which has been largely driven by e-commerce demand and additional demand from suppliers to drive up safety stock. We continued to pursue quality industrial assets in coastal Tier 1 markets during 2020. We resumed speculative development projects in the second half of the year and continued to lease up the speculative space. Despite the global crisis, we were able to execute our asset and capital strategies for the year and had a successful 2020.

The following table shows a reconciliation of net income attributable to common shareholders or common unitholders to the calculation of funds from operations ("FFO") attributable to common shareholders or common unitholders for the years ended December 31, 2020, 2019 and 2018, respectively (in thousands):

	2020	2019	2018
Net income attributable to common shareholders of the General Partner	\$ 299,915	\$ 428,972	\$ 383,729
Add back: Net income attributable to noncontrolling interests - common limited partnership interests in the Partnership	2,663	3,678	3,528
Net income attributable to common unitholders of the Partnership	302,578	432,650	387,257
Adjustments:			
Depreciation and amortization	353,013	327,223	312,217
Company share of unconsolidated joint venture depreciation and amortization	9,265	10,083	9,146
Partnership share of gains on property sales	(127,811)	(235,098)	(208,780)
Gains on land sales	(10,458)	(7,445)	(10,334)
Income tax (benefit) expense not allocable to FFO	(5,112)	8,686	8,828
Impairment charges	5,626	—	—
Gains on sales of real estate assets—share of unconsolidated joint ventures	(822)	(21,239)	(12,094)
Impairment charges - unconsolidated joint venture	—	—	2,214
FFO attributable to common unitholders of the Partnership (1)	\$ 526,279	\$ 514,860	\$ 488,454
Additional General Partner Adjustments:			
Net income attributable to noncontrolling interests - common limited partnership interests in the Partnership	(2,663)	(3,678)	(3,528)
Noncontrolling interest share of adjustments	(1,979)	(702)	(923)
FFO attributable to common shareholders of the General Partner (1)	\$ 521,637	\$ 510,480	\$ 484,003

(1) FFO is a non-GAAP measure used in the real estate industry and is computed in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT FFO is used by industry analysts and investors as a supplemental operating performance measure of a REIT. NAREIT FFO is calculated as net income attributable to the common shareholders of the General Partner in accordance with GAAP excluding depreciation and amortization related to real estate, gains and losses on sales of real estate assets (including real estate assets incidental to our business), gains and losses from change in control, impairment charges related to real estate assets (including real estate assets incidental to our business) and similar adjustments for unconsolidated partnerships and joint ventures, all net of related taxes.

The most comparable GAAP measure to NAREIT FFO is net income attributable to common shareholders or common unitholders. Management believes it is a useful indicator of consolidated operating performance, which improves the understanding of operating results of REITs among the investing public, makes comparisons of REIT operating results more meaningful and enables investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity.

Net income attributable to the common shareholders of the General Partner for the year ended December 31, 2020, was \$299.9 million, compared to net income of \$429.0 million for the year ended December 31, 2019. Net income attributable to the common unitholders of the Partnership for the year ended December 31, 2020, was \$302.6

million, compared to net income of \$432.7 million for the year ended December 31, 2019. The decrease in net income in 2020 for the General Partner and the Partnership, when compared to 2019, was primarily the result of lower gains on property sales and higher losses on debt extinguishment during 2020.

NAREIT FFO attributable to common shareholders of the General Partner totaled \$521.6 million for the year ended December 31, 2020, compared to \$510.5 million for 2019. NAREIT FFO attributable to common unitholders of the Partnership totaled \$526.3 million for the year ended December 31, 2020, compared to \$514.9 million for 2019. The increase to NAREIT FFO from 2019 for the General Partner and the Partnership was primarily driven by improved occupancy, rental rate growth and new developments being placed into service and leased up, partially offset by debt extinguishment costs recognized during 2020.

In accordance with our strategic plan, we continue to increase our investment in high-quality industrial properties, with build-to-suit developments across all of our markets and most of our speculative development focused in the markets we believe have the best long-term growth potential. Additionally, we continued to maintain high occupancy levels through 2020 and quickly lease a significant portion of our speculative development projects. Highlights of our 2020 strategic and operational activities are as follows:

- We generated \$336.3 million of total net cash proceeds from the disposition of seven consolidated buildings and 157 acres of wholly owned undeveloped land.
- We acquired ten industrial properties during the year ended December 31, 2020 with a total asset value of \$424.9 million.
- We started new development projects with expected total costs of \$795.6 million, which included \$78.0 million of expected total costs for development projects started within two unconsolidated joint ventures. The development projects started in 2020 were, in aggregate, 62.0% leased at December 31, 2020.
- We placed 18 newly completed consolidated development projects in service, which totaled 6.8 million square feet with total costs of \$693.8 million at December 31, 2020. These properties were 93.7% leased at December 31, 2020. Two newly completed projects owned by unconsolidated joint ventures were also placed in service, totaling 491,000 square feet with total costs of \$27.6 million (square feet and costs shown at 100%), during 2020. These properties were 100% leased at December 31, 2020.
- The total estimated cost of our properties under construction at December 31, 2020, with costs for unconsolidated properties shown at 100%, totaled \$1.10 billion, with \$690.1 million of such costs already incurred. The total estimated cost for the one unconsolidated joint venture property under construction at December 31, 2020 was \$57.0 million, with \$22.6 million of such costs already incurred. The consolidated properties under construction were 64.5% pre-leased, while the unconsolidated joint venture property under construction was 100% pre-leased.
- Income from continuing operations before income taxes was \$297.5 million and \$440.9 million for the twelve months ended December 31, 2020 and 2019, respectively.
- Same-property net operating income, on a cash basis, as defined hereafter under "Supplemental Performance Measures", increased by 5.0% for the twelve months ended December 31, 2020, as compared to the same period in 2019.
- As the result of leasing up space in speculative developments throughout 2020, the percentage of total square feet leased for our in-service portfolio of consolidated properties increased from 96.6% at December 31, 2019 to 97.4% at December 31, 2020.
- Total leasing activity for our consolidated properties totaled 25.5 million square feet in 2020 compared to 28.7 million square feet in 2019.
- Total leasing activity for our consolidated and unconsolidated joint venture properties in 2020 included 6.1 million and 1.1 million, respectively, square feet of lease renewals (excludes early renewals and short term renewals), which represented 65.6% and 86.8%, respectively, retention rates on a square foot basis. New

second generation and renewal leases, on a combined basis, executed for consolidated and unconsolidated joint venture properties during the year resulted in 28.2% and 33.8%, respectively, increases to net effective rents ("net effective rents" is defined hereafter in the "Key Performance Indicators" section) when compared to the previous leases of the same space.

We utilized the capital generated from dispositions during the year to reduce debt and to fund our development activities. Highlights of our key financing activities are as follows:

- During 2020, the General Partner issued 4.6 million common shares under its at the market ("ATM") equity program, generating gross proceeds of \$177.1 million and, after deducting commissions and other costs, net proceeds of \$175.0 million.
- In February 2020, we issued \$325.0 million of senior unsecured notes that bear interest at a stated interest rate of 3.05%, have an effective interest rate of 3.19%, and mature on March 1, 2050. Proceeds from the unsecured notes offering were primarily used to repay the \$300.0 million of senior unsecured notes bearing a stated interest rate of 4.38% and with a scheduled maturity of 2022. In connection with the early redemption of these notes, we recognized a loss of \$17.8 million consisting of a prepayment premium and the write-off of unamortized deferred financing costs.
- In June 2020, we issued \$350.0 million of senior unsecured notes, which bear interest at a stated interest rate of 1.75%, have an effective interest rate of 1.85% and mature on July 1, 2030. Proceeds from the unsecured notes offering were primarily used to repurchase and cancel \$216.3 million of 3.88% senior unsecured notes due 2022 pursuant to a tender offer completed by the Partnership in June 2020. In connection with the early cancellation of these notes, we recognized a loss of \$15.1 million consisting of a prepayment premium and the write-off of unamortized deferred financing costs.
- During 2020, we repaid one fixed rate secured loan, totaling \$9.0 million, which had a stated interest rate of 5.61%.

COVID-19

During 2020, in response to the COVID-19 pandemic, we have made various changes to our operations in order to support the health and safety of our associates and the communities in which we operate. Throughout the pandemic, accelerated e-commerce demand drove strong leasing activity, while the pandemic also negatively impacted a relatively small portion of our tenant base that operate in lines of business, such as event planning, that were most acutely impacted by COVID-19. Through December 31, 2020, we executed deferral agreements with certain customers that allowed for \$7.4 million of total scheduled rental payments to be deferred and repaid in future periods. The substantial majority of these agreements were short term in nature and required repayment of the deferred amounts within twelve months of their execution. We have collected all amounts due under such short term rent deferral agreements through the end of 2020. We temporarily paused our acquisition, disposition and development activities at the onset of the pandemic but such activities were resumed at an accelerated pace during the second half of the year.

The pandemic's impact on the overall global economy is continuing and the ultimate impact cannot be predicted at this time. Please see Part I, Item 1A, "Risk Factors" for additional information about the potential impacts the pandemic may have on our business and results of operations.

Supplemental Performance Measures

In addition to NAREIT FFO we use (i) Property Level Net Operating Income - Cash Basis ("PNOI") and (ii) Same-Property Net Operating Income - Cash Basis ("SPNOI") as supplemental non-GAAP performance measures. Management believes that the use of PNOI and SPNOI combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. The most comparable GAAP measure to PNOI and SPNOI is income from continuing operations before income taxes.

PNOI and SPNOI each exclude expenses that materially impact our overall results of operations and, therefore, should not be considered as a substitute for income from continuing operations before income taxes, or any other measures derived in accordance with GAAP. Furthermore, these metrics may not be comparable to other similarly titled measures of other companies.

Property Level Net Operating Income - Cash Basis

PNOI is comprised of rental revenues from continuing operations less rental expenses and real estate taxes from continuing operations, along with certain other adjusting items. As a performance metric that consists of only the cash-based revenues and expenses directly related to ongoing real estate rental operations, PNOI is narrower in scope than NAREIT FFO.

PNOI, as we calculate it, may not be directly comparable to similarly titled, but differently calculated, measures for other REITs. We believe that PNOI is another useful supplemental performance measure, as it is an input in many REIT valuation models and it provides a means by which to evaluate the performance of the properties within our Rental Operations segments. The operations of our industrial properties, as well as our non-reportable Rental Operations (our residual non-industrial properties that have not yet been sold, referred to throughout as "non-reportable"), are collectively referred to as "Rental Operations."

The major factors influencing PNOI are occupancy levels, acquisitions and sales, development properties that achieve stabilized operations, rental rate increases or decreases, and the recoverability of operating expenses.

Note 10 to the consolidated financial statements included in Part IV, Item 15 of this Report shows a calculation of our PNOI for the years ended December 31, 2020, 2019 and 2018 and provides a reconciliation of PNOI for our Rental Operations segments to income from continuing operations before income taxes.

Same-Property Net Operating Income - Cash Basis

We also evaluate the performance of our properties, including our share of properties we jointly control, on a "same-property" basis, using a metric referred to as SPNOI. We view SPNOI as a useful supplemental performance measure because it improves comparability between periods by eliminating the effects of changes in the composition of our portfolio.

On an individual property basis, SPNOI is generally computed in a consistent manner as PNOI.

We define our "same-property" population once a year at the beginning of the current calendar year and include buildings that were stabilized (the term "stabilized" means properties that have reached 90% leased or that have been in-service for at least one year since development completion or acquisition) as of January 1 of the prior calendar year. The "same-property" pool is also adjusted to remove properties that were sold subsequent to the beginning of the current calendar year. As such, the "same-property" population for the period ended December 31, 2020 includes all properties that we owned or jointly controlled at January 1, 2020, which had both been owned or jointly controlled and had reached stabilization by January 1, 2019, and have not been sold.

A reconciliation of income from continuing operations before income taxes to SPNOI is presented as follows (in thousands, except percentage data):

	Three Months Ended December 31,		Percent Change	Twelve Months Ended December 31,		Percent Change
	2020	2019		2020	2019	
Income from continuing operations before income taxes	\$ 166,418	\$ 89,664		\$ 297,537	\$ 440,885	
Share of SPNOI from unconsolidated joint ventures	4,868	4,661		19,107	18,214	
PNOI excluded from the "same-property" population	(26,785)	(11,333)		(71,160)	(33,395)	
Earnings from Service Operations	(1,218)	(937)		(6,028)	(6,360)	
Rental Operations revenues and expenses excluded from PNOI	(14,924)	(11,778)		(44,002)	(57,546)	
Non-Segment Items	24,133	77,337		410,541	215,218	
SPNOI	\$ 152,492	\$ 147,614	3.3 %	\$ 605,995	\$ 577,016	5.0 %

The composition of the line items titled "Rental Operations revenues and expenses excluded from PNOI" and "Non-Segment Items" from the table above are shown in greater detail in Note 10 to the consolidated financial statements included in Part IV, Item 15 of this Report.

We believe that the factors that impact SPNOI are generally the same as those that impact PNOI. The following table details the number of properties, square feet, average commencement occupancy and average cash rental rate for the properties included in SPNOI for the respective periods:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Number of properties	451	451	451	451
Square feet (in thousands) (1)	125,370	125,370	125,370	125,370
Average commencement occupancy percentage (2)	98.5%	98.3%	98.5%	98.1%
Average rental rate - cash basis (3)	\$4.90	\$4.75	\$4.83	\$4.69

(1) Includes the total square feet of the consolidated properties that are in the "same-property" population as well as 4.9 million square feet of space for unconsolidated joint ventures, which represents our ratable share of the 9.8 million total square feet of space for buildings owned by unconsolidated joint ventures that are in the "same-property" population.

(2) Commencement occupancy represents the percentage of total square feet where the leases have commenced.

(3) Represents the average annualized contractual rent per square foot for the three and twelve months ended December 31, 2020 and 2019 for tenants in occupancy in properties in the "same-property" population. Cash rent does not include the tenant's obligation to pay property operating expenses and real estate taxes. If a tenant was within a free rent period, its rent would equal zero for purposes of this metric.

Key Performance Indicators

Our operating results depend primarily upon rental income from our Rental Operations. The following discussion highlights the metrics that drive the performance of our Rental Operations, which management uses to operate the business, and that we consider to be critical drivers of future revenues.

Occupancy Analysis

Occupancy is an important metric for management and our investors for understanding our financial performance. Our ability to maintain high occupancy rates is among the principal drivers of maintaining and increasing rental revenue. The following table sets forth percent leased and average net effective rent information regarding our in-service portfolio of rental properties at December 31, 2020 and 2019, respectively:

Type	Total Square Feet (in thousands)		Percent of Total Square Feet		Percent Leased*		Average Annual Net Effective Rent**	
	2020	2019	2020	2019	2020	2019	2020	2019
Industrial	140,511	135,240	99.9 %	99.8 %	97.4 %	96.7 %	\$5.30	\$5.00
Non-reportable Rental Operations	211	211	0.1 %	0.2 %	96.8 %	80.5 %	\$22.31	\$24.29
Total Consolidated	140,722	135,451	100.0 %	100.0 %	97.4 %	96.6 %	\$5.32	\$5.03
Unconsolidated Joint Ventures	11,467	10,976			98.7 %	96.3 %	\$4.32	\$4.21
Total Including Unconsolidated Joint Ventures	152,189	146,427			97.5 %	96.6 %		

* Represents the percentage of total square feet leased based on executed leases and without regard to whether the leases have commenced.

** Average annual net effective rent represents average annual base rental payments per leased square foot, on a straight-line basis for the term of each lease, from space leased to tenants at the end of the most recent reporting period. This amount excludes additional amounts paid by tenants as reimbursement for operating expenses.

The increase in occupancy at December 31, 2020 within our industrial portfolio, when compared to December 31, 2019, primarily resulted from leasing up recently delivered speculative developments while renewing or backfilling existing leases to maintain the occupancy level within our existing base of properties.

Vacancy Activity

The following table sets forth vacancy activity, shown in square feet, from our in-service rental properties for the year ended December 31, 2020 (in thousands):

	Consolidated Properties	Unconsolidated Joint Venture Properties	Total Including Unconsolidated Joint Venture Properties
Vacant square feet at December 31, 2019	4,540	406	4,946
Vacant space in acquisitions	495	—	495
Vacant space in completed developments	1,138	—	1,138
Vacant space in dispositions	(978)	—	(978)
Expirations	4,360	469	4,829
Early lease terminations	2,610	—	2,610
Property structural changes/other	15	—	15
Leasing of previously vacant space	(8,464)	(725)	(9,189)
Vacant square feet at December 31, 2020	3,716	150	3,866

Total Leasing Activity

Our ability to maintain and improve occupancy and net effective rents primarily depends upon our continuing ability to lease vacant space. The volume and quality of our leasing activity is closely scrutinized by management in operation of the business and provides useful information regarding future performance. The initial leasing of development projects or vacant space in acquired properties is referred to as first generation lease activity. The leasing of such space that we have previously held under lease to a tenant is referred to as second generation lease activity. Second generation lease activity may be in the form of renewals of existing leases or new second generation leases of previously leased space. The total leasing activity for our consolidated and unconsolidated industrial rental properties, expressed in square feet of leases signed, is as follows for the years ended December 31, 2020 and 2019 (in thousands):

	2020	2019
New Leasing Activity - First Generation	7,917	9,779
New Leasing Activity - Second Generation	4,797	3,639
Renewal Leasing Activity	6,147	10,916
Early Renewal Leasing Activity *	2,671	2,076
Short-Term New Leasing Activity **	1,889	989
Short-Term Renewal Leasing Activity **	2,077	1,317
Non-Reportable Rental Operations Leasing Activity	36	13
Total Consolidated Leasing Activity	25,534	28,729
Unconsolidated Joint Venture Leasing Activity	3,154	2,384
Total Including Unconsolidated Joint Venture Leasing Activity	28,688	31,113

* Early renewals represent renewals executed more than two years in advance of a lease's originally scheduled end date.

** Short-term leases represent leases with a term of less than twelve months.

Second Generation Leases

The following table sets forth the estimated costs of tenant improvements and leasing commissions, on a per square foot basis, that we are obligated to fulfill under the second generation industrial leases signed for our rental properties, during the years ended December 31, 2020 and 2019:

	Square Feet of Leases (in thousands)		Percent of Expiring Leases Renewed		Average Term in Years		Estimated Tenant Improvement Cost per Square Foot		Leasing Costs per Square Foot	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Consolidated - New Second Generation	4,797	3,639			5.4	7.2	\$ 1.79	\$ 3.45	\$ 2.87	\$ 3.76
Unconsolidated Joint Ventures - New Second Generation	527	233			3.3	6.7	\$ 1.56	\$ 1.28	\$ 1.12	\$ 2.44
Total - New Second Generation	5,324	3,872			5.2	7.2	\$ 1.92	\$ 3.36	\$ 2.73	\$ 3.69
Consolidated - Renewal	6,147	10,916	65.6 %	79.1 %	4.6	5.1	\$ 0.99	\$ 0.75	\$ 1.50	\$ 1.41
Unconsolidated Joint Ventures - Renewal	1,142	828	86.8 %	66.4 %	4.7	5.2	\$ 0.93	\$ 0.68	\$ 1.53	\$ 1.91
Total - Renewal	7,289	11,744	69.5 %	78.1 %	4.6	5.1	\$ 0.98	\$ 0.75	\$ 1.50	\$ 1.45

Growth in average annual net effective rents for new second generation and renewal leases, on a combined basis, for our consolidated and unconsolidated rental properties, is as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Ownership Type		
Consolidated properties	28.2 %	27.3 %
Unconsolidated joint venture properties	33.8 %	37.9 %

Lease Expirations

The table below reflects our consolidated in-service portfolio lease expiration schedule at December 31, 2020 (in thousands, except percentage data and number of leases):

Year of Expiration	Total Consolidated Portfolio			Industrial		Non-Reportable	
	Square Feet	Annual Rental Revenue*	Number of Leases	Square Feet	Annual Rental Revenue*	Square Feet	Annual Rental Revenue*
2021	10,583	\$ 50,470	121	10,575	\$ 50,357	8	\$ 113
2022	17,425	75,881	151	17,408	75,689	17	192
2023	14,482	72,816	155	14,461	72,524	21	292
2024	14,359	73,039	140	14,354	72,977	5	62
2025	16,212	87,976	145	16,210	87,951	2	25
2026	12,920	64,497	87	12,908	64,348	12	149
2027	9,942	49,311	38	9,937	49,254	5	57
2028	8,680	57,668	36	8,561	54,181	119	3,487
2029	8,161	44,689	27	8,161	44,689	—	—
2030	9,971	54,667	38	9,971	54,667	—	—
2031 and Thereafter	14,270	98,314	36	14,255	98,137	15	177
Total Leased	137,005	\$ 729,328	974	136,801	\$ 724,774	204	\$ 4,554
Total Portfolio Square Feet	140,722			140,511		211	
Percent Leased	97.4 %			97.4 %		96.8 %	

* Annualized rental revenue represents average annual base rental payments, on a straight-line basis for the term of each lease, from space leased to tenants at the end of the most recent reporting period. Annualized rental revenue excludes additional amounts paid by tenants as reimbursement for operating expenses.

Building Acquisitions

Our decision process in determining whether or not to acquire a property or portfolio of properties involves several factors, including expected rent growth, multiple yield metrics, property locations and expected demographic growth in each location, current occupancy of the properties, tenant profile and remaining terms of the in-place leases in the properties. It is difficult to predict which markets may present acquisition opportunities that align with our strategy. Because of the numerous factors considered in our acquisition decisions, we do not establish specific target yields for future acquisitions.

We acquired ten buildings during the year ended December 31, 2020 and six buildings during the year ended December 31, 2019. The following table summarizes the acquisition price, percent leased at time of acquisition and in-place yields of industrial building acquisitions (in thousands, except percentage data):

Type	2020 Acquisitions			2019 Acquisitions		
	Acquisition Price*	In-Place Yield**	Percent Leased at Acquisition Date***	Acquisition Price*	In-Place Yield**	Percent Leased at Acquisition Date***
Industrial	\$ 410,817	3.3 %	80.6 %	\$ 217,106	4.1 %	88.4 %

* Includes fair value of real estate assets and net acquired lease-related intangible assets, including above or below market leases, but excludes assumed debt, if applicable, and other acquired working capital assets and liabilities.

** In-place yields of completed acquisitions are calculated as the current annualized net rental payments from space leased to tenants at the date of acquisition, divided by the acquisition price of the acquired real estate. Annualized net rental payments are comprised of base rental payments, excluding additional amounts payable by tenants as reimbursement for operating expenses, less current annualized operating expenses not recovered through tenant reimbursements.

*** Represents percentage of total square feet leased based on executed leases and without regard to whether the leases have commenced, at the date of acquisition, including lease-backs with sellers executed in connection with the acquisition(s).

Building Dispositions

We regularly work to identify, consider and pursue opportunities to dispose of properties on an opportunistic basis and on a basis that is generally consistent with our strategic plans. Dispositions of properties is a source of capital to fund future investment.

We sold seven consolidated buildings during the year ended December 31, 2020 and 28 consolidated buildings during the year ended December 31, 2019. The following table summarizes the sales prices, in-place yields and percent leased of industrial building dispositions (in thousands, except percentage data):

Type	2020 Dispositions			2019 Dispositions		
	Sales Price	In-Place Yield*	Percent Leased**	Sales Price	In-Place Yield*	Percent Leased**
Industrial	\$ 321,800	3.8 %	77.5 %	\$ 425,767	5.6 %	91.4 %

* In-place yields of completed dispositions are calculated as annualized net operating income from space leased to tenants at the date of sale on a lease-up basis, including full rent from all executed leases, even if currently in a free rent period, divided by the sales price. Annualized net operating income is comprised of base rental payments, excluding reimbursement of operating expenses, less current annualized operating expenses not recovered through tenant reimbursements.

** Represents percentage of total square feet leased based on executed leases and without regard to whether the leases have commenced, at the date of sale.

Development

We expect to generate future earnings from Rental Operations as development properties are placed in service and leased. Development activities, and our ability to lease those developments, are viewed by management as key indicators of future earnings growth and provide useful information to investors for the same reasons.

We had 7.4 million square feet of property under development with total estimated costs upon completion of \$1.10 billion at December 31, 2020 compared to 8.9 million square feet with total estimated costs upon completion of \$1.06 billion at December 31, 2019. The square footage and estimated costs include both consolidated properties and unconsolidated joint venture development activity at 100%.

The following table summarizes our properties under development at December 31, 2020 (in thousands, except percentage data):

Ownership Type	Square Feet	Percent Leased	Total Estimated Project Costs	Total Incurred to Date	Amount Remaining to be Spent
Consolidated properties	6,927	64.5 %	\$ 1,042,303	\$ 667,441	\$ 374,862
Unconsolidated joint venture properties	517	100 %	56,990	22,624	34,366
Total	7,444	67.0 %	\$ 1,099,293	\$ 690,065	\$ 409,228

Comparison of Year Ended December 31, 2020 to Year Ended December 31, 2019

Rental and Related Revenue

The following table sets forth rental and related revenue from continuing operations (in thousands):

	2020	2019
Rental and related revenue:		
Industrial	\$ 921,612	\$ 848,806
Non-reportable Rental Operations and non-segment revenues	7,582	7,027
Total rental and related revenue from continuing operations	\$ 929,194	\$ 855,833

The primary reasons for the increase in rental and related revenue from continuing operations were:

- We acquired 16 properties and placed 36 wholly owned developments in service from January 1, 2019 to December 31, 2020, which provided incremental revenues from continuing operations of \$66.9 million in the year ended December 31, 2020 when compared to 2019.
- Increased occupancy and rental rates within our "same-property" portfolio, as well as the lease up of properties that were placed in service prior to January 1, 2019 but were not in the "same-property" portfolio, also contributed to the increase to rental and related revenue from continuing operations.
- The increase in rental revenue included a \$17.3 million increase in expense recoveries primarily related to higher recoverable real estate taxes compared to 2019.
- The sale of 35 in-service properties since January 1, 2019, which did not meet the criteria to be classified within discontinued operations, resulted in a decrease of \$23.3 million to rental and related revenue from continuing operations in the year ended December 31, 2020, as compared to 2019, which partially offset the aforementioned increases to rental and related revenue from continuing operations.
- The increase in rental revenue was also partially offset by a \$4.0 million increase in collectability reserves for contractual and straight-line receivables, primarily as a result of current economic conditions caused by the COVID-19 pandemic during 2020.

Rental Expenses and Real Estate Taxes

The following table sets forth rental expenses and real estate taxes from continuing operations (in thousands):

	2020	2019
Rental expenses:		
Industrial	\$ 75,345	\$ 74,083
Non-reportable Rental Operations and non-segment expenses	1,294	1,501
Total rental expenses from continuing operations	<u>\$ 76,639</u>	<u>\$ 75,584</u>
Real estate taxes:		
Industrial	\$ 148,252	\$ 128,887
Non-reportable Rental Operations and non-segment expenses	1,043	633
Total real estate tax expense from continuing operations	<u>\$ 149,295</u>	<u>\$ 129,520</u>

Overall, rental expenses from continuing operations increased by \$1.1 million in 2020 compared to 2019. The increase to rental expenses was primarily the result of acquisitions and developments placed in service from January 1, 2019 to December 31, 2020, partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations and decreased recoverable snow removal costs in 2020 compared to 2019.

Overall, real estate tax expense from continuing operations increased by \$19.8 million in 2020 compared to 2019. The increase to real estate taxes was mainly the result of acquisitions and developments placed in service from January 1, 2019 to December 31, 2020, which have generally been concentrated in markets with higher tax rates and/or assessed values, and increased tax assessments in certain of our markets. These increases were partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

Service Operations

The following table sets forth the components of net earnings from the Service Operations reportable segment for the years ended December 31, 2020 and 2019, respectively (in thousands):

	2020	2019
Service Operations:		
General contractor and service fee revenue	\$ 64,004	\$ 117,926
General contractor and other services expenses	(57,976)	(111,566)
Net earnings from Service Operations	<u>\$ 6,028</u>	<u>\$ 6,360</u>

Service Operations primarily consist of the development, construction management and general contractor services, leasing, property management and asset management for unconsolidated joint venture properties and properties owned by third parties. Service Operations are heavily influenced by the current state of the economy, as construction and development services rely on the expansion of business operations of third-party property owners and joint venture partners, while leasing and property management fees are dependent upon occupancy.

General contractor and service fee revenue, and general contractor and other service expenses, decreased as the result of lower third party construction volume during 2020.

Depreciation and Amortization

Depreciation and amortization expense from continuing operations was \$353.0 million and \$327.2 million for the years ended December 31, 2020 and 2019, respectively. The increase in depreciation and amortization expense for the year ended December 31, 2020 was primarily the result of continued growth in our portfolio through development and acquisitions placed in service from January 1, 2019 to December 31, 2020, partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

Equity in Earnings of Unconsolidated Joint Ventures

Equity in earnings of unconsolidated joint ventures represents our ownership share of net income from investments in unconsolidated joint ventures that generally own and operate rental properties. Equity in earnings of unconsolidated joint ventures was \$11.9 million and \$31.4 million for the years ended December 31, 2020 and 2019, respectively. In 2019, we recorded equity in earnings of \$19.4 million related to our share of the gain on sale of five unconsolidated joint venture buildings and equity in earnings of \$1.3 million representing our share of gains on involuntary conversion from insurance recoveries related to storm damage in one unconsolidated joint venture.

There were no property sales by unconsolidated joint ventures during 2020.

Gain on Sale of Properties - Continuing Operations

We sold seven properties during 2020 that were classified in continuing operations, recognizing total gains on sale of \$127.7 million. These properties did not meet the criteria to be classified within discontinued operations.

We sold 28 properties during 2019 that were classified in continuing operations, recognizing total gains on sale of \$234.7 million. These properties did not meet the criteria to be classified within discontinued operations.

Gain on Sale of Land

Gains on sale of land totaled \$10.5 million and \$7.4 million for the years ended December 31, 2020 and 2019, respectively. We sold 157 acres of undeveloped land in 2020 compared to 110 acres of undeveloped land in 2019.

Impairment Charges

We recognized \$5.6 million of impairment charges during the first quarter of 2020, related to writing off pre-acquisition costs, primarily non-refundable purchase deposits, for certain planned purchases of undeveloped land that we elected not to pursue due to the uncertain economic outlook at the onset of the COVID-19 pandemic.

We did not recognize any impairment charges in 2019.

General and Administrative Expenses

General and administrative expenses consist of two components. The first component includes general corporate expenses, and the second component represents the indirect operating costs not allocated to, or absorbed by, either the development, leasing and operation of our consolidated properties or our Service Operations. Such indirect operating costs are primarily comprised of employee compensation, including related costs such as benefits and wage-related taxes, but also include other ancillary costs such as travel and information technology support. Total indirect operating costs, prior to any allocation or absorption, and general corporate expenses are collectively referred to as our overall pool of overhead costs.

Those indirect costs not allocated to or absorbed by these operations are charged to general and administrative expenses. We regularly review our total overhead cost structure relative to our leasing, development and construction volume and adjust the level of total overhead, generally through changes in our level of staffing in various functional departments, as necessary, in order to control overall general and administrative expense.

General and administrative expenses were \$62.4 million and \$60.9 million for the years ended December 31, 2020 and 2019, respectively. The following table sets forth the factors that led to the increase in general and administrative expenses from 2019 to 2020 (in millions):

General and administrative expenses - 2019	\$	60.9
Decrease to overall pool of overhead costs		(3.5)
Overhead restructuring charges (1)		4.5
Impact of increased allocation of costs to leasing and development activities (2)		(4.1)
Decreased allocation of costs to Service Operations and Rental Operations (3)		4.6
General and administrative expenses - 2020	\$	62.4

(1) We recognized approximately \$4.5 million of overhead restructuring charges included within general and administrative expenses. These charges primarily related to benefits provided to certain associates that terminated employment either as part of a voluntary retirement package offered to certain eligible employees during 2020 or in connection with other organizational changes.

(2) We capitalized \$6.5 million and \$28.8 million of our total overhead costs to leasing and development, respectively, for consolidated properties during 2020, compared to capitalizing \$6.8 million and \$24.2 million of such costs, respectively, for 2019. Non-capitalizable leasing costs were \$12.3 million and \$12.4 million for the years ended December 31, 2020 and 2019 (these costs are presented separately in the line item "Non-Incremental Costs Related to Successful Leases" on the Consolidated Statements of Operations). Combined overhead costs capitalized to leasing and development totaled 26.7% and 22.8% of our overall pool of overhead costs for 2020 and 2019, respectively.

(3) The decrease in allocation of costs to Service Operations and Rental Operations resulted from a lower volume of third-party construction projects during 2020.

Interest Expense

Interest expense allocable to continuing operations was \$93.4 million and \$89.8 million for the years ended December 31, 2020 and 2019, respectively. The increase in interest expense from continuing operations for the year ended December 31, 2020 was largely the result of increased overall borrowings and lower capitalization of interest expense, partially offset by lower average interest rates during 2020 as the result of refinancing certain of our unsecured notes.

We capitalized \$24.3 million and \$26.5 million of interest costs during 2020 and 2019, respectively.

Debt Extinguishment

During 2020, we redeemed \$300.0 million of unsecured notes with a stated interest rate of 4.38% and repurchased and canceled \$216.3 million of unsecured notes with a stated interest rate of 3.88% pursuant to a tender offer completed by the Partnership. In connection with redemption and repurchase of these unsecured notes, we recognized a total loss of \$32.9 million including the redemption/repayment premium and the write-off of unamortized deferred financing costs.

During 2019, we redeemed \$250.0 million of unsecured notes, which had a stated interest rate of 3.88%. We recognized a loss on debt extinguishment of \$6.3 million, which included a prepayment premium and the write-off of unamortized deferred financing costs.

Critical Accounting Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Certain estimates, judgments and assumptions are inherently subjective and based on the existing business and market conditions, and are therefore continually evaluated based upon available information and experience. Based on the nature of our business, current economic conditions and the value of our real estate assets, we have concluded that our financial statements for all periods presented have not been materially impacted by individual accounts or classes of transaction that rely on estimates. Further, we have concluded that our financial statements for all periods presented are not materially impacted by estimates of fair value that rely upon non-observable inputs.

We have determined that judgments regarding the impairment of real estate assets represent a critical accounting estimate that has the potential to be material in future periods and has been material in certain periods prior to those presented in this Form 10-K. As the result of the strong demand, and generally appreciating values, for industrial real estate assets, we have not recognized any material impairment charges in any of the periods presented in our consolidated financial statements. As described below in our description of Critical Accounting Policies, determining whether a triggering event has taken place requires an evaluation of assumptions including occupancy levels, rental rates, capitalization rates and anticipated holding periods when evaluating real estate assets for potential impairment. We do not believe that the conclusions we reached regarding the assessment of our real estate assets for impairment, in the current economic and operating environment, would result in a materially different conclusion within any reasonable range of assumptions that could have been applied. Should economic conditions worsen, and the values of industrial assets decline in future periods, then the assumptions and estimates we may make in future impairment analyses, and potential future measurement of impairment charges, could be sensitive and could result in a material change in the range of potential outcomes.

Critical Accounting Policies

Note 2 to the Consolidated Financial Statements includes further discussion of our significant accounting policies. Our management has assessed the accounting policies used in the preparation of our financial statements and discussed them with our audit committee and independent auditors. The following accounting policies are considered critical based upon materiality to the financial statements, and to a lesser extent, the degree of judgment involved in estimating reported amounts and sensitivity to changes in industry and economic conditions:

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

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

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

In assessing the amount of indirect costs to be capitalized, we first allocate payroll costs, on a department-by-department basis, among activities for which capitalization is warranted (i.e., construction and development and leasing) and those for which capitalization is not warranted (i.e., property management, maintenance, acquisitions, dispositions, non-incremental leasing costs and general corporate functions). To the extent the employees of a department split their time between capitalizable and non-capitalizable activities, the allocations are made based on estimates of the actual amount of time spent in each activity. Once the payroll costs are allocated, the non-payroll costs of each department are allocated among the capitalizable and non-capitalizable activities in the same proportion as payroll costs.

To ensure that an appropriate amount of costs are capitalized, the amount of capitalized construction and development costs that are allocated to a specific project are limited to amounts using standards we developed. These standards are based on a percentage of the total development costs of a project. These standards are derived after considering the amounts that would be allocated if the personnel in the departments were working at full capacity. The use of these standards ensures that overhead costs attributable to downtime or to unsuccessful projects are not capitalized. Additionally, only internal leasing costs that are incremental, which are comprised of success-based leasing payments to our in-house leasing personnel, are capitalized.

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

The determination of the fair value of real estate assets is also highly subjective, especially in markets where there is a lack of recent comparable transactions. We primarily utilize the income approach to estimate the fair value of our income producing real estate assets. To the extent that the assumptions used in testing long-lived assets for impairment differ from those of a marketplace participant, the assumptions are modified in order to estimate the fair value of a real estate asset when an impairment charge is measured. In addition to determining future cash flows, which make the estimation of a real estate asset's undiscounted cash flows highly subjective, the selection of the discount rate and exit capitalization rate used in applying the income approach is also highly subjective.

To the extent applicable marketplace data is available, we generally use the market approach in estimating the fair value of undeveloped land that is determined to be impaired.

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

Acquisition of Real Estate Property and Related Assets: We generally account for real estate acquisitions as asset acquisitions as opposed to business combinations. We allocate the purchase price of acquired properties to tangible and identified intangible assets based on their relative fair values, using all pertinent information available at the date of acquisition. The allocation of the purchase price to tangible assets (buildings, tenant improvements and land) is based upon management's determination of the value of the property as if it were vacant. This "as-if vacant" value is estimated using an income, or discounted cash flow, approach that relies upon internally determined assumptions that we believe are consistent with current market conditions for similar properties. The most important assumptions in determining the allocation of the purchase price to tangible assets are the exit capitalization rate, estimated market rents and the fair value of the underlying land.

The purchase price of real estate assets is also allocated to intangible assets consisting of the above or below market component of in-place leases and the value of in-place leases. The value allocable to the above or below market component of an acquired in-place lease is determined based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between (i) the contractual amounts to be received pursuant to the lease over its remaining term and (ii) management's estimate of the amounts that would be received using fair market rates over the remaining term of the lease. The amounts allocated to above market leases are included in deferred leasing and other costs in the balance sheet and below market leases are included in other liabilities in the balance sheet; both are amortized to rental income over the remaining terms of the respective leases. Factors considered in determining the value allocable to in-place leases include estimates, during hypothetical lease up periods, related to space that is actually leased at the time of acquisition. These estimates include (i) lost rent at market rates, (ii) fixed operating costs that will be recovered from tenants and (iii) theoretical leasing commissions required to execute similar leases. These intangible assets are included in deferred leasing and other costs in the balance sheet and are amortized over the remaining term of the existing lease.

The audit committee has reviewed the critical accounting policies identified by management.

Liquidity and Capital Resources

Overview

We expect to meet our short-term liquidity requirements over the next 12 months, which include payments of dividends and distributions, completion of development projects that are currently under construction and the capital expenditures needed to maintain our current real estate assets, through working capital, net cash provided by operating activities and short term borrowings on the Partnership's unsecured line of credit. We had \$295.0 million outstanding borrowings on the Partnership's \$1.20 billion unsecured line of credit, had \$6.3 million of cash on hand and held \$47.7 million of restricted cash in escrow for future like kind exchange transactions at December 31, 2020.

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

Sources of Liquidity

Rental Operations

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

We are subject to a number of risks, which have intensified as the result of the COVID-19 outbreak, related to general economic conditions, including reduced occupancy, tenant defaults and bankruptcies and potential reduction in rental rates upon renewal or re-letting of properties, any of which would result in reduced cash flow from operations.

Debt and Equity Securities

Our unsecured line of credit at December 31, 2020 is described as follows (in thousands):

Description	Borrowing Capacity	Maturity Date	Outstanding Balance at December 31, 2020
Unsecured Line of Credit – Partnership	\$ 1,200,000	January 30, 2022	\$ 295,000

The Partnership's unsecured line of credit has a borrowing capacity of \$1.20 billion, with an interest rate on borrowings of LIBOR plus 0.875% (equal to 1.03% for our outstanding borrowings at December 31, 2020) and a maturity date of January 30, 2022, with options to extend until January 30, 2023. Subject to certain conditions, the terms also include an option to increase the facility by up to an additional \$800.0 million, for a total of up to \$2.00 billion. This line of credit provides us with an option to obtain borrowings from financial institutions that participate in the line at rates that may be lower than the stated interest rate, subject to certain restrictions.

This line of credit contains financial covenants that require us to meet certain financial ratios and defined levels of performance, including those related to fixed charge coverage, unsecured interest expense coverage and debt-to-asset value (with asset value being defined in the Partnership's unsecured line of credit agreement). At December 31, 2020, we were in compliance with all covenants under this line of credit.

The Partnership's unsecured line of credit has an interest rate that is indexed to LIBOR. In 2017, the Alternative Reference Rates Committee ("ARRC") proposed that the Secured Overnight Funding Rate ("SOFR") replace LIBOR. ARRC also proposed that the transition to SOFR from LIBOR take place by the end of 2021. As the Partnership's unsecured line of credit agreement has provisions that allow for automatic transition to a new rate and the Partnership has no other material debt arrangements that are indexed to LIBOR, we believe that the transition will not have a material impact on our consolidated financial statements.

At December 31, 2020, we had on file with the SEC an automatic shelf registration statement on Form S-3 relating to the offer and sale, from time to time, of an indeterminate amount of debt and equity securities (including guarantees of the Partnership's debt securities by the General Partner). Equity securities are offered and sold by the General Partner, and the net proceeds of such offerings are contributed to the Partnership in exchange for additional General Partner Units or Preferred Units. From time to time, we expect to issue additional securities under this automatic shelf registration statement to fund the repayment of debt, to fund development and future acquisitions and for other general corporate purposes.

The General Partner has an ATM equity program that allows it to issue new common shares from time to time, with an aggregate offering price of up to \$400.0 million. During the three months ended December 31, 2020, the General Partner issued 1.7 million common shares under its ATM equity program, resulting in net proceeds of \$65.9 million after paying total compensation of \$666,000 to the applicable sales agents. During the year ended December 31, 2020, the General Partner issued 4.6 million common shares under its ATM equity program, generating net proceeds of \$175.0 million after paying total compensation of \$1.8 million to the applicable sales agents. Other fees related to these issuances, totaling \$344,000, were also paid during the year ended December 31, 2020. As of December 31, 2020, the ATM equity program still had \$13.4 million worth of new common shares available to issue.

In February 2020, a consolidated joint venture obtained an \$18.4 million secured loan from a third party financial institution, with a fixed annual interest rate of 3.41% and a maturity date of March 1, 2035.

Also in February 2020, we issued \$325.0 million of senior unsecured notes that bear interest at a stated interest rate of 3.05%, have an effective interest of 3.19%, and mature on March 1, 2050, for gross proceeds of \$316.4 million.

In June 2020, we issued \$350.0 million of senior unsecured notes that bear interest at a stated interest rate of 1.75%, have an effective interest of 1.85%, and mature on July 1, 2030, for gross proceeds of \$346.8 million.

The Partnership has issued debt securities pursuant to certain indentures and related supplemental indentures, which also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such covenants at December 31, 2020.

Sale of Real Estate Assets

We regularly work to identify, consider and pursue opportunities to dispose of properties in a manner that is generally consistent with our strategic plans. Our ability to dispose of such properties on favorable terms, or at all, is dependent upon a number of factors including the availability of credit to potential buyers to purchase properties at prices that we consider acceptable. Although we believe that we have demonstrated our ability to generate significant liquidity through the disposition of non-strategic properties, potential future adverse changes to general market and economic conditions, including the uncertain economic outlook caused by the COVID-19 pandemic, could negatively impact our further ability to dispose of such properties.

Sales of land and properties provided \$336.3 million in net proceeds in 2020, compared to \$432.7 million in 2019 and \$511.4 million in 2018.

Transactions with Unconsolidated Joint Ventures

Transactions with unconsolidated joint ventures also provide a source of liquidity. From time to time we will sell properties to unconsolidated joint ventures, while retaining a continuing interest in that entity, and receive proceeds commensurate to those interests that we do not own. Additionally, unconsolidated joint ventures will from time to time obtain debt financing or sell properties and will then distribute to us, and our joint venture partners, all or a portion of the proceeds from such transactions. There were no material transactions with unconsolidated joint ventures in 2020.

Uses of Liquidity

Our principal uses of liquidity include the following:

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

Property Investment

Our overall strategy is to continue to increase our investment in quality industrial properties, primarily through development, on both a speculative and build-to-suit basis, supplemented with acquisitions in higher barrier markets with the highest growth potential. Pursuant to this strategy, we evaluate development and acquisition opportunities based upon our market outlook, including general economic conditions, supply and long-term growth potential. Our ability to make future property investments is dependent upon identifying suitable acquisition and development opportunities, and our continued access to our longer-term sources of liquidity, including issuances of debt or equity securities as well as generating cash flow by disposing of selected properties.

Leasing/Capital Costs

Tenant improvements and lease-related costs pertaining to our initial leasing of newly completed space, or vacant space in acquired properties, are referred to as first generation expenditures. Such first generation expenditures for tenant improvements are included within "development of real estate investments" in our Consolidated Statements of Cash Flows, while such expenditures for capitalizable lease-related costs are included within "other deferred leasing costs."

Cash expenditures related to the construction of a building's shell, as well as the associated site improvements, are also included within "development of real estate investments" in our Consolidated Statements of Cash Flows.

Tenant improvements and leasing costs to renew or re-let rental space that we previously leased to tenants for second generation leases are referred to as second generation expenditures. Building improvements that are not specific to any tenant, but serve to improve integral components of our real estate properties, are also second generation expenditures. One of the principal uses of our liquidity is to fund the second generation leasing/capital expenditures of our real estate investments.

The following table summarizes our second generation capital expenditures by type of expenditure, as well as capital expenditures for the development of real estate investments and for other deferred leasing costs (in thousands):

	2020	2019	2018
Second generation tenant improvements	\$ 17,126	\$ 12,165	\$ 18,797
Second generation leasing costs	19,870	22,879	24,899
Building improvements	4,103	12,505	9,778
Total second generation capital expenditures	\$ 41,099	\$ 47,549	\$ 53,474
Development of real estate investments	\$ 573,544	\$ 446,801	\$ 577,383
Other deferred leasing costs	\$ 45,545	\$ 38,509	\$ 39,380

We had consolidated properties under development with an expected total cost of \$1.04 billion at December 31, 2020, compared to projects with an expected cost of \$1.05 billion and \$709.7 million at December 31, 2019 and 2018, respectively. We had \$374.9 million of remaining costs to complete for consolidated properties under development at December 31, 2020.

The capital expenditures in the table above include the capitalization of internal overhead costs. We capitalized \$6.5 million, \$6.8 million and \$19.0 million of overhead costs that are incremental to executing leases, including both first and second generation leases, during the years ended December 31, 2020, 2019 and 2018, respectively. We capitalized \$28.8 million, \$24.2 million and \$29.8 million of overhead costs related to development activities, including both development and tenant improvement projects on first and second generation space, during the years ended December 31, 2020, 2019 and 2018, respectively. Combined overhead costs capitalized to leasing and development totaled 26.7%, 22.8% and 35.1% of our overall pool of overhead costs at December 31, 2020, 2019 and 2018, respectively. The decrease in the overhead costs capitalized to leasing for 2020 and 2019 compared to 2018 was primarily due to the expense impact of internal costs related to successful leasing which were not capitalizable as a result of the adoption of the new lease standard on January 1, 2019 (see Note 2 to the consolidated financial statements included in Part IV, Item 15 of this Report) and was included in the line item "Non-incremental costs related to successful leases" on the Consolidated Statements of Operations and Comprehensive Income for 2020 and 2019.

Further discussion of the capitalization of overhead costs can be found in the year-to-year comparison of general and administrative expenses and Critical Accounting Policies sections of this Item 7.

In addition to the capitalization of overhead costs, the totals for development of real estate assets in the table above include the capitalization of \$24.3 million, \$26.5 million and \$27.2 million of interest costs in the years ended December 31, 2020, 2019 and 2018, respectively.

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

Dividend and Distribution Requirements

The General Partner is required to meet the distribution requirements of the Code in order to maintain its REIT status. We paid regular dividends or distributions of \$0.96, \$0.88 and \$0.815 per common share or Common Unit for the years ended December 31, 2020, 2019 and 2018, respectively.

We expect to continue to distribute at least an amount equal to our taxable earnings, to meet the requirements to maintain the General Partner's REIT status, and additional amounts as determined by the General Partner's board of directors. Distributions are declared at the discretion of the General Partner's board of directors and are subject to actual cash available for distribution, our financial condition, capital requirements and such other factors as the General Partner's board of directors deems relevant.

Debt Service and Maturities

Debt outstanding at December 31, 2020 had a face value totaling \$3.41 billion with a weighted average interest rate of 3.17% and maturities at various dates through 2050. Of this total amount, we had \$3.06 billion of unsecured debt, \$60.6 million of secured debt and \$295.0 million outstanding borrowings on our unsecured line of credit at December 31, 2020. Scheduled principal amortization, maturities and early repayments of such debt totaled \$529.7 million for the year ended December 31, 2020.

The following table is a summary of the scheduled future amortization and maturities of our indebtedness at December 31, 2020 (in thousands, except percentage data):

Year	Future Repayments			Weighted Average Interest Rate of Future Repayments
	Scheduled Amortization	Maturities	Total	
2021	\$ 4,413	\$ —	\$ 4,413	5.16%
2022	4,646	83,740	88,386	3.99%
2023	4,893	545,000	549,893	2.29%
2024	5,155	300,000	305,155	3.92%
2025	5,102	—	5,102	5.08%
2026	3,238	375,000	378,238	3.38%
2027	1,615	475,000	476,615	3.18%
2028	1,307	500,000	501,307	4.45%
2029	1,359	400,000	401,359	2.88%
2030	1,413	350,000	351,413	1.86%
Thereafter	4,730	347,734	352,464	3.26%
	<u>\$ 37,871</u>	<u>\$ 3,376,474</u>	<u>\$ 3,414,345</u>	3.17%

The Partnership's unsecured line of credit is reflected in the table above as maturing in January 2023, based on the ability to exercise the two six-month extension options from its stated maturity date of January 2022 (see Note 9). In January 2021, we issued \$450.0 million of senior unsecured notes that bear a stated interest rate of 1.75%, have an effective interest rate of 1.83%, and mature on February 1, 2031. Proceeds from the unsecured notes offering were initially applied to pay down outstanding borrowings on our line of credit as of December 31, 2020, and we intend to allocate an amount equal to the net proceeds from the offering to the financing or refinancing of eligible green projects.

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

Repayments of Outstanding Debt

To the extent that it supports our overall capital strategy, we may purchase or redeem some of our outstanding unsecured notes prior to their stated maturities.

In March 2020, we redeemed \$300.0 million of unsecured notes that were scheduled to mature in June 2022.

In June 2020, we repurchased and canceled \$216.3 million of unsecured notes that were scheduled to mature in October 2022 pursuant to a tender offer completed by the Partnership.

During 2020, we repaid one fixed rate secured loan of \$9.0 million, which had a stated interest rate of 5.61%.

Lease Commitments

As of December 31, 2020, we have total future payment obligations of \$225.2 million on our ground leases and \$27.9 million on our office leases and other lease arrangements, over their non-cancellable lease period including applicable lease extension and renewal options when deemed reasonably certain of exercise. See Note 14 to Consolidated Financial Statements for further discussion.

Guarantee Obligations

We are subject to various guarantee obligations in the normal course of business and, in most cases, do not anticipate these obligations to result in significant cash payments. At December 31, 2020, we guaranteed the repayment of \$81.3 million of loans associated with two of our unconsolidated joint ventures. In January 2021, we, and the other partner in one of these unconsolidated joint ventures, repaid \$69.8 million of such guaranteed loans.

Additionally, as of December 31, 2020, we guaranteed the repayment of \$20.1 million of economic development bonds issued by various municipalities in connection with certain commercial developments.

Historical Cash Flows

Cash, cash equivalents and restricted cash were \$67.2 million, \$121.4 million and \$25.5 million at December 31, 2020, 2019, and 2018, respectively. The following table highlights significant changes in net cash associated with our operating, investing and financing activities (in thousands):

	Years Ended December 31,		
	2020	2019	2018
Net cash provided by operating activities	\$ 566,436	\$ 505,898	\$ 484,407
Net cash used for investing activities	(856,221)	(555,074)	(594,430)
Net cash provided by (used for) financing activities	235,577	145,090	(58,087)

Operating Activities

Cash flows from operating activities provide the cash necessary to meet our operational requirements and the receipt of rental income from Rental Operations continues to be our primary source of operating cash flows. The increase in net cash provided by operating activities, compared to 2019, was driven by increasing our asset base through development, financed through equity or low cost debt issuances, and increasing occupancy and rental rates within our existing portfolio.

The increase to cash flow provided by operating activities between 2019 and 2018 was due to the timing of cash receipts and cash payments on third party construction projects as well as increased cash flows from our Rental Operations. These increases in operating cash flows were partially offset by increased cash paid for interest and income taxes as well as the timing of working capital.

Investing Activities

Highlights of significant cash sources and uses are as follows:

- Real estate development costs were \$573.5 million, \$446.8 million and \$577.4 million during 2020, 2019 and 2018, respectively.
- We paid cash of \$632.1 million, \$598.4 million and \$592.4 million, for real estate and undeveloped land acquisitions during 2020, 2019 and 2018, respectively.
- Sales of land and property generated net proceeds of \$336.3 million, \$432.7 million and \$511.4 million during 2020, 2019 and 2018, respectively.
- During 2020, we received repayments of \$110.0 million on notes receivable from property sales, compared to \$162.6 million and \$154.1 million in 2019 and 2018, respectively.
- Second generation tenant improvements, leasing costs and building improvements totaled \$41.1 million, \$47.5 million and \$53.5 million during 2020, 2019 and 2018, respectively.
- We receive capital distributions from unconsolidated joint ventures, either as the result of selling our ownership interests in certain unconsolidated joint ventures or from our share of the proceeds from property sales from unconsolidated joint ventures. In 2020, we received \$876,000 in capital distributions primarily from one unconsolidated joint venture from the sale of land. We received \$26.3 million in capital distributions from unconsolidated joint ventures during 2019, primarily related to the sale of three properties within three of our unconsolidated joint ventures. We received \$23.1 million in capital distributions from unconsolidated joint ventures during 2018, primarily related to the sale of six properties within three of our unconsolidated joint ventures.
- We made capital contributions and advances to unconsolidated joint ventures in the amounts of \$6.2 million, \$34.5 million and \$5.9 million during 2020, 2019 and 2018, respectively.

Financing Activities

The following items highlight significant capital transactions:

- During 2020, the General Partner issued 4.6 million common shares pursuant to its ATM equity programs for net proceeds of \$175.0 million, compared to 8.0 million shares of common stock for net proceeds of \$263.3 million in 2019 and 990,400 shares of common stock for net proceeds of \$28.4 million in 2018.

- We issued \$675.0 million, \$575.0 million and \$450.0 million of senior unsecured notes during 2020, 2019 and 2018, respectively. The 2020 unsecured debt issuances consist of \$325.0 million of senior unsecured notes issued in February 2020 for gross proceeds of \$316.4 million and \$350.0 million of senior unsecured notes issued in June 2020 for gross proceeds of \$346.8 million. The 2019 unsecured debt issuances consist of \$175.0 million of senior unsecured notes issued in August 2019 for gross proceeds of \$182.3 million and \$400.0 million of senior unsecured notes issued in November 2019 with a corresponding cash payment of \$35.6 million for termination of the five forward starting interest rate swaps entered in 2018 and 2019. We issued \$450.0 million of senior unsecured notes in 2018.
- During 2020, the Partnership paid cash of \$547.0 million for the early redemption of \$300.0 million of senior unsecured notes that were scheduled to mature in June 2022 and the early repurchase and cancellation of \$216.3 million of senior unsecured notes due in October 2022. During 2019, the Partnership paid cash of \$255.8 million for the early redemption of \$250.0 million of senior unsecured notes that were scheduled to mature in February 2021. The Partnership repaid \$7.0 million of unsecured debt in 2018.
- In February 2020, a consolidated joint venture of the Partnership obtained a secured loan from a third party financial institution for gross proceeds of \$18.4 million. No secured loans were obtained in 2019 or 2018.
- The Partnership repaid one secured loan for \$9.0 million during 2020, compared to repayments of three secured loans for \$41.7 million in 2019 and three secured loans for \$227.1 million in 2018.
- We increased net borrowings on the Partnership's unsecured line of credit by \$295.0 million in 2020, decreased net borrowings by \$30.0 million in 2019 and increased net borrowings by \$30.0 million in 2018.
- We paid regular cash dividends or distributions of \$0.96, \$0.88 and \$0.815 per common share or per Common Unit during the years ended December 31, 2020, 2019 and 2018, respectively.
- Changes in book cash overdrafts are classified as financing activities within our consolidated Statements of Cash Flows. Book cash overdrafts were \$16.4 million, \$14.4 million and \$14.3 million at December 31, 2020, 2019 and 2018, respectively.
- In 2019, we paid off a special assessment bond for \$9.9 million, which was reflected within Other Financing Activities on our Consolidated Statements of Cash Flows. We did not make similar significant repayments during 2020 or 2018.

Impact of Changes in Credit Ratings on Our Liquidity

We are currently assigned investment grade corporate credit ratings on our senior unsecured notes from Moody's Investors Service and Standard & Poor's Ratings Group. Our senior unsecured notes have been assigned a rating of Baa1 by Moody's Investors Service. In addition, our senior unsecured notes have been assigned a rating of BBB+ by Standard & Poor's Ratings Group. A securities rating is not a recommendation to buy, sell, or hold securities and is subject to revision or withdrawal at any time by the rating organization.

The ratings of our senior unsecured notes could change based upon, among other things, the impact that prevailing economic conditions may have on our results of operations and financial condition. If our credit ratings are downgraded or other negative action is taken, we could be required, among other things, to pay additional interest and fees on outstanding borrowings under our revolving credit agreement. Credit rating reductions by one or more rating agencies could also adversely affect our access to funding sources, the cost and other terms of obtaining funding, as well as our overall financial condition, operating results and cash flow.

Financial Instruments

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

Item 7A. Quantitative and Qualitative Disclosure About Market Risks

We are exposed to interest rate changes primarily as a result of our line of credit and long-term borrowings. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we borrow primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps in order to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes.

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

	2021	2022	2023	2024	2025	Thereafter	Total	Fair Value
Long-Term Debt:								
Fixed rate secured debt	\$ 4,113	\$ 4,346	\$ 4,593	\$ 4,855	\$ 4,702	\$ 36,396	\$ 59,005	\$ 65,848
Weighted average interest rate	5.53 %	5.54 %	5.55 %	5.56 %	5.51 %	4.18 %	4.70 %	
Variable rate secured debt	\$ 300	\$ 300	\$ 300	\$ 300	\$ 400	\$ —	\$ 1,600	\$ 1,600
Weighted average interest rate	0.08 %	0.08 %	0.08 %	0.08 %	0.08 %	N/A	0.08 %	
Fixed rate unsecured debt	\$ —	\$ 83,740	\$ 250,000	\$ 300,000	\$ —	\$ 2,425,000	\$ 3,058,740	\$ 3,387,913
Weighted average interest rate	N/A	3.93 %	3.72 %	3.90 %	N/A	3.23 %	3.35 %	
Unsecured line of credit	\$ —	\$ —	\$ 295,000	\$ —	\$ —	\$ —	\$ 295,000	\$ 295,000
Rate at December 31, 2020	N/A	N/A	1.03 %	N/A	N/A	N/A	1.03 %	

The Partnership's unsecured line of credit is reflected in the table above as maturing in January 2023, based on the ability to exercise the two six-month extension options from its stated maturity date of January 2022 (see Note 9). As the above table incorporates only those exposures that existed at December 31, 2020, it does not consider those exposures or positions that could arise after that date. As a result, the ultimate impact of interest rate fluctuations will depend on future exposures that arise, our hedging strategies at that time, to the extent we are party to interest rate derivatives, and interest rates. Interest expense on our unsecured line of credit will be affected by fluctuations in the LIBOR indices or applicable replacement rates as well as changes in our credit rating. The interest rate at such point in the future as we may renew, extend or replace our unsecured line of credit will be heavily dependent upon the state of the credit environment.

At December 31, 2020, the face value of our unsecured debt was \$3.06 billion and we estimated the fair value of that unsecured debt to be \$3.39 billion. At December 31, 2019, the face value of our unsecured debt was \$2.90 billion and we estimated the fair value of that unsecured debt to be \$3.05 billion.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data are included under Item 15 of this Report and are incorporated herein by reference.

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

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

Item 9A. Controls and Procedures

Controls and Procedures (General Partner)

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

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

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

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

Management's annual report on internal control over financial reporting and the audit report of our independent registered public accounting firm are included in Item 15 of Part IV under the headings "Management's Report on Internal Control" and "Report of Independent Registered Public Accounting Firm," respectively, and are incorporated herein by reference.

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Controls and Procedures (Partnership)

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

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

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

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

Management's annual report on internal control over financial reporting and the audit report of our independent registered public accounting firm are included in Item 15 of Part IV under the headings "Management's Report on Internal Control" and "Report of Independent Registered Public Accounting Firm," respectively, and are incorporated herein by reference.

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

There was no information required to be disclosed in a report on Form 8-K during the fourth quarter of 2020 for which no Form 8-K was filed.

Our discussion of federal income tax considerations in Exhibit 99.1 attached hereto, which is incorporated herein by reference, supersedes and replaces, in its entirety, (i) the disclosure under the heading "Federal Income Tax Considerations" in the prospectus dated July 25, 2019, which is a part of our Registration Statement on Form S-3 (File No. 333-232816), as amended or supplemented, (ii) the disclosure under the heading "Federal Income Tax Considerations" in the prospectus dated April 30, 2018, which is a part of our Registration Statement on Form S-3 (File No. 333-224538), as amended or supplemented, and (iii) similarly titled sections in the prospectuses contained in our other Registration Statements on Form S-3 (File Nos. 333-128132, 333-108556, 333-70678, 333-59138, 333-51344, 333-39498, 333-35008, 333-85009, 333-82063, 333-66919, 333-50081, 333-26833, 333-24289, and 033-64659), as amended or supplemented. Our updated discussion addresses recent tax law changes.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following is a summary of the executive officers of the General Partner:

James B. Connor, age 62. Mr. Connor was named the General Partner's Chairman and Chief Executive Officer, commencing April 26, 2017, and joined the General Partner's Board of Directors in 2015. Prior to being named Chairman and Chief Executive Officer, Mr. Connor held various senior management positions with the General Partner, including President and Chief Executive Officer from January 1, 2016 to April 25, 2017; Senior Executive Vice President and Chief Operating Officer from 2013 to 2015; Senior Regional Executive Vice President from 2011 to 2013; Executive Vice President of the Midwest Region from 2003 to 2011; and Senior Vice President between 1998 and 2003. Prior to joining the General Partner in 1998, Mr. Connor held numerous executive and brokerage positions with Cushman & Wakefield, most recently serving as Senior Managing Director for the Midwest area. In 2019, Mr. Connor joined the Board of Trustees of EPR Properties, a publicly traded REIT. Mr. Connor also serves on the Board of Trustees of Roosevelt University and is a member of the Advisory Board of Directors of the Marshall Bennett Institute of Real Estate at Roosevelt.

Mark A. Denien, age 53. Mr. Denien was appointed the General Partner's Executive Vice President and Chief Financial Officer on May 17, 2013. Prior to being named Executive Vice President and Chief Financial Officer, Mr. Denien was Senior Vice President and Chief Accounting Officer from 2009 to 2013 and, prior to that, served as Senior Vice President, Corporate Controller. Prior to joining the General Partner in 2005, Mr. Denien spent 16 years with KPMG LLP. Mr. Denien serves as a director of Goodwill Industries of Central Indiana, Inc.

Steven W. Schnur, age 47. Mr. Schnur has served as the General Partner's Executive Vice President and Chief Operating Officer since September 2019. Prior to being named Executive Vice President and Chief Operating Officer, Mr. Schnur served as Senior Regional Executive Vice President from May 2017 until September 2019; Executive Vice President, Central Region from January 2015 until May 2017; Senior Regional, Senior Vice President from August 2014 until January 2015; Senior Vice President, Midwest Region from December 2013 until August 2014; and Senior Vice President, Chicago from October 2004 until December 2013. Mr. Schnur began his career with the General Partner as a Vice President, Leasing in September 2003. Prior to that, Mr. Schnur was Director of Real Estate for Opus North Corporation.

Nicholas C. Anthony, age 55. Mr. Anthony was appointed the General Partner's Executive Vice President and Chief Investment Officer on June 17, 2013. His responsibilities include overseeing the General Partner's acquisition and disposition activity, as well as the overall management of its joint venture business. Prior to being named Executive Vice President and Chief Investment Officer, Mr. Anthony held various senior management positions with the General Partner, including Senior Vice President, Capital Transactions and Joint Ventures from 2010 until 2013. Mr. Anthony began his career with the General Partner in 1989 as a staff accountant.

Ann C. Dee, age 61. Ms. Dee was appointed the General Partner's Executive Vice President, General Counsel and Corporate Secretary on June 17, 2013. Prior to being named Executive Vice President, General Counsel and Corporate Secretary, Ms. Dee held the position of Senior Vice President, General Counsel and Corporate Secretary from January 1, 2013 until June 17, 2013 and the position of Deputy General Counsel and Senior Vice President from June 23, 2008 until January 1, 2013. Ms. Dee joined the General Partner in 1996 as a Corporate Attorney. Prior to joining the General Partner, Ms. Dee practiced law with law firms in Indianapolis, Indiana and Columbus, Ohio. Ms. Dee serves as a member of the Board of the Center for Performing Arts.

Peter D. Harrington, age 57. Mr. Harrington was named the General Partner's Executive Vice President, Construction on July 1, 2016. Prior to being named Executive Vice President, Construction, Mr. Harrington held various senior management positions with the General Partner, including Senior Vice President, Construction from 2003 to June 30, 2016; Vice President of Construction from 1998 until 2003; and Manager of Preconstruction Services from 1993 to 1998. Prior to joining the General Partner in 1993, Mr. Harrington was employed with Miller-Valentine Group in Dayton, Ohio from 1987 through 1993 as a Project Coordinator and Project Manager.

All other information required by this item will be included in the General Partner's 2021 proxy statement (the "2021 Proxy Statement") for the General Partner's Annual Meeting of Shareholders to be held on April 28, 2021, and is incorporated herein by reference. In addition, the General Partner's Code of Business Ethics (which applies to each of our associates, officers and directors) and the General Partner's Corporate Governance Guidelines are available in the investor information/corporate governance section of our website at www.dukerealty.com. A copy of these documents may also be obtained without charge by writing to Duke Realty Corporation, 8711 River Crossing Boulevard, Indianapolis, Indiana 46240, Attention: Investor Relations.

Item 11. Executive Compensation

The information required by Item 11 of this Report will be included in our 2021 Proxy Statement, which information is incorporated herein by this reference.

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

The information required by Item 12 of this Report will be included in our 2021 Proxy Statement, which information is incorporated herein by this reference.

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

The information required to be furnished pursuant to Item 13 of this Report will be included in our 2021 Proxy Statement, which information is incorporated herein by this reference.

Item 14. Principal Accountant Fees and Services

The information required to be furnished pursuant to Item 14 of this Report will be included in our 2021 Proxy Statement, which information is incorporated herein by this reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

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

1. Consolidated Financial Statements

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

Duke Realty Corporation:

[Management's Report on Internal Control](#)

[Report of Independent Registered Public Accounting Firm](#)

Duke Realty Limited Partnership:

[Management's Report on Internal Control](#)

[Report of Independent Registered Public Accounting Firm](#)

Duke Realty Corporation:

[Consolidated Balance Sheets, December 31, 2020 and 2019](#)

[Consolidated Statements of Operations and Comprehensive Income, Years Ended December 31, 2020, 2019 and 2018](#)

[Consolidated Statements of Cash Flows, Years Ended December 31, 2020, 2019 and 2018](#)

[Consolidated Statements of Changes in Equity, Years Ended December 31, 2020, 2019 and 2018](#)

Duke Realty Limited Partnership:

[Consolidated Balance Sheets, December 31, 2020 and 2019](#)

[Consolidated Statements of Operations and Comprehensive Income, Years Ended December 31, 2020, 2019 and 2018](#)

[Consolidated Statements of Cash Flows, Years Ended December 31, 2020, 2019 and 2018](#)

[Consolidated Statements of Changes in Equity, Years Ended December 31, 2020, 2019 and 2018](#)

Duke Realty Corporation and Duke Realty Limited Partnership:

[Notes to Consolidated Financial Statements](#)

2. Consolidated Financial Statement Schedules

Duke Realty Corporation and Duke Realty Limited Partnership:

[Schedule III – Real Estate and Accumulated Depreciation](#)

3. Exhibits

The exhibits required to be filed with this Report pursuant to Item 601 of Regulation S-K are listed on pages 120 to 123 of this Report and are incorporated herein by reference.

Management's Report on Internal Control

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

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Management has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2020 based on the control criteria established in a report entitled Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, we have concluded that, as of December 31, 2020, our internal control over financial reporting is effective based on these criteria.

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

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer

/s/ Mark A. Denien

Mark A. Denien
Executive Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Duke Realty Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Duke Realty Corporation and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, cash flows, and changes in equity for each of the years in the three-year period ended December 31, 2020, and the related notes and financial statement schedule III - real estate and accumulated depreciation (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of real estate assets for potential impairment

As discussed in Note 8 to the consolidated financial statements, buildings, land and improvements as of December 31, 2020 was \$8,695,678 thousand. As discussed in Note 2 to the consolidated financial statements, the Company evaluates its real estate assets for potential impairment whenever events or changes in circumstances indicate that the carrying value of real estate assets may not be recoverable. The evaluation of real estate assets for potential impairment is subject to certain assumptions which includes the anticipated holding period for a real estate asset.

We identified the evaluation of real estate assets for potential impairment as a critical audit matter. Subjective and challenging auditor judgment was required to evaluate the Company's intent and ability to hold real estate assets for particular periods of time. A shortening of the anticipated holding period could indicate a potential impairment.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control over the Company's process to evaluate potential impairment triggering events, including evaluation of holding period. We compared the Company's historical holding period for similar assets to the holding period assumed in the Company's analysis. We inquired of Company officials and inspected documents, such as meeting minutes of the board of directors and sub-committees, investment committee, and regional investment committees to evaluate the Company's intent and ability to hold real estate assets for particular periods of time. We read external communications with investors and analysts in order to identify information regarding potential sales of the Company's real estate assets.

/s/ KPMG LLP

We have served as the Company's auditor since 1986.

Indianapolis, Indiana

February 19, 2021

Management's Report on Internal Control

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

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the Partnership;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the General Partner; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Partnership's assets that could have a material effect on the financial statements.

Management has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2020 based on the control criteria established in a report entitled Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, we have concluded that, as of December 31, 2020, our internal control over financial reporting is effective based on these criteria.

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

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer
of the General Partner

/s/ Mark A. Denien

Mark A. Denien
Executive Vice President and Chief Financial Officer
of the General Partner

Report of Independent Registered Public Accounting Firm

To the Unitholders of Duke Realty Limited Partnership and the Board of Directors of Duke Realty Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Duke Realty Limited Partnership and subsidiaries (the Partnership) as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, cash flows, and changes in equity for each of the years in the three-year period ended December 31, 2020, and the related notes and financial statement schedule III - real estate and accumulated depreciation (collectively, the consolidated financial statements). We also have audited the Partnership's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Partnership's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control. Our responsibility is to express an opinion on the Partnership's consolidated financial statements and an opinion on the Partnership's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control over the Partnership's process to evaluate potential impairment triggering events, including evaluation of holding period. We compared the Partnership's historical holding period for similar assets to the holding period assumed in the Partnership's analysis. We inquired of Partnership officials and inspected documents, such as meeting minutes of the General Partner's board of directors and sub-committees, investment committee, and regional investment committees to evaluate the Partnership's intent and ability to hold real estate assets for particular periods of time. We read external communications with investors and analysts in order to identify information regarding potential sales of the Partnership's real estate assets.

/s/ KPMG LLP

We have served as the Partnership's auditor since 1994.

Indianapolis, Indiana
February 19, 2021

DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
As of December 31,
(in thousands, except per share amounts)

	2020	2019
<u>ASSETS</u>		
Real estate investments:		
Real estate assets	\$ 8,745,155	\$ 7,993,377
Construction in progress	695,219	550,926
Investments in and advances to unconsolidated joint ventures	131,898	133,074
Undeveloped land	291,614	254,537
	<u>9,863,886</u>	<u>8,931,914</u>
Accumulated depreciation	(1,659,308)	(1,480,461)
Net real estate investments	<u>8,204,578</u>	<u>7,451,453</u>
Real estate investments and other assets held-for-sale	67,946	18,463
Cash and cash equivalents	6,309	110,891
Accounts receivable	15,204	20,349
Straight-line rent receivable	153,943	129,344
Receivables on construction contracts, including retentions	30,583	25,607
Deferred leasing and other costs, net of accumulated amortization of \$204,122 and \$203,857	329,765	320,444
Restricted cash held in escrow for like-kind exchange	47,682	1,673
Notes receivable from property sales	—	110,000
Other escrow deposits and other assets	255,384	232,338
	<u>\$ 9,111,394</u>	<u>\$ 8,420,562</u>
<u>LIABILITIES AND EQUITY</u>		
Indebtedness:		
Secured debt, net of deferred financing costs of \$343 and \$164	\$ 64,074	\$ 34,023
Unsecured debt, net of deferred financing costs of \$32,763 and \$19,258	3,025,977	2,880,742
Unsecured line of credit	295,000	—
	<u>3,385,051</u>	<u>2,914,765</u>
Liabilities related to real estate investments held-for-sale	7,740	887
Construction payables and amounts due subcontractors, including retentions	62,332	68,840
Accrued real estate taxes	76,501	69,042
Accrued interest	18,363	14,181
Other liabilities	269,806	223,680
Tenant security deposits and prepaid rents	57,153	48,907
Total liabilities	<u>3,876,946</u>	<u>3,340,302</u>
Shareholders' equity:		
Common shares (\$0.01 par value); 600,000 shares authorized; 373,258 and 367,950 shares issued and outstanding, respectively	3,733	3,680
Additional paid-in capital	5,723,326	5,525,463
Accumulated other comprehensive loss	(31,568)	(35,036)
Distributions in excess of net income	(532,519)	(475,992)
Total shareholders' equity	<u>5,162,972</u>	<u>5,018,115</u>
Noncontrolling interests	71,476	62,145
Total equity	<u>5,234,448</u>	<u>5,080,260</u>
	<u>\$ 9,111,394</u>	<u>\$ 8,420,562</u>

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income
For the Years Ended December 31,
(in thousands, except per share amounts)

	2020	2019	2018
Revenues:			
Rental and related revenue	\$ 929,194	\$ 855,833	\$ 785,319
General contractor and service fee revenue	64,004	117,926	162,551
	<u>993,198</u>	<u>973,759</u>	<u>947,870</u>
Expenses:			
Rental expenses	76,639	75,584	71,436
Real estate taxes	149,295	129,520	125,269
General contractor and other services expenses	57,976	111,566	153,909
Depreciation and amortization	353,013	327,223	312,217
	<u>636,923</u>	<u>643,893</u>	<u>662,831</u>
Other operating activities:			
Equity in earnings of unconsolidated joint ventures	11,944	31,406	21,444
Gain on sale of properties	127,700	234,653	204,988
Gain on land sales	10,458	7,445	10,334
Other operating expenses	(8,209)	(5,318)	(5,231)
Impairment charges	(5,626)	—	—
Non-incremental costs related to successful leases	(12,292)	(12,402)	—
General and administrative expenses	(62,404)	(60,889)	(56,218)
	<u>61,571</u>	<u>194,895</u>	<u>175,317</u>
Operating income	417,846	524,761	460,356
Other income (expenses):			
Interest and other income, net	1,721	9,941	17,234
Interest expense	(93,442)	(89,756)	(85,006)
Loss on debt extinguishment	(32,900)	(6,320)	(388)
Gain on involuntary conversion	4,312	2,259	—
Income from continuing operations before income taxes	297,537	440,885	392,196
Income tax benefit (expense)	5,112	(8,686)	(8,828)
Income from continuing operations	302,649	432,199	383,368
Discontinued operations:			
Income before gain on sales and income taxes	—	—	108
Gain on sale of properties	111	445	3,792
Income from discontinued operations	111	445	3,900
Net income	302,760	432,644	387,268
Net income attributable to noncontrolling interests	(2,845)	(3,672)	(3,539)
Net income attributable to common shareholders	<u>\$ 299,915</u>	<u>\$ 428,972</u>	<u>\$ 383,729</u>
Basic net income per common share:			
Continuing operations attributable to common shareholders	\$ 0.81	\$ 1.18	\$ 1.06
Discontinued operations attributable to common shareholders	—	—	0.01
Total	<u>\$ 0.81</u>	<u>\$ 1.18</u>	<u>\$ 1.07</u>
Diluted net income per common share:			
Continuing operations attributable to common shareholders	\$ 0.80	\$ 1.18	\$ 1.06
Discontinued operations attributable to common shareholders	—	—	0.01
Total	<u>\$ 0.80</u>	<u>\$ 1.18</u>	<u>\$ 1.07</u>
Weighted average number of common shares outstanding	370,057	362,234	357,569
Weighted average number of common shares and potential dilutive securities	<u>374,156</u>	<u>367,339</u>	<u>363,297</u>
Comprehensive income:			
Net income	\$ 302,760	\$ 432,644	\$ 387,268
Other comprehensive loss:			
Unrealized losses on interest rate swap contracts	—	(30,893)	(4,676)
Amortization of interest rate swap contracts	3,468	533	—
Total other comprehensive income (loss)	3,468	(30,360)	(4,676)
Comprehensive income	<u>\$ 306,228</u>	<u>\$ 402,284</u>	<u>\$ 382,592</u>

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31,
(in thousands)

	2020	2019	2018
Cash flows from operating activities:			
Net income	\$ 302,760	\$ 432,644	\$ 387,268
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	297,158	272,422	256,250
Amortization of deferred leasing and other costs	55,855	54,801	55,967
Amortization of deferred financing costs	9,155	6,536	5,867
Straight-line rental income and expense, net	(25,865)	(21,197)	(24,605)
Impairment charges	5,626	—	—
Loss on debt extinguishment	32,900	6,320	388
Gain on involuntary conversion	(4,312)	(2,259)	—
Gains on land and property sales	(138,269)	(242,543)	(219,114)
Third-party construction contracts, net	(2,511)	9,254	(15,400)
Other accrued revenues and expenses, net	29,333	8,476	47,711
Operating distributions received in excess of (less than) equity in earnings from unconsolidated joint ventures	4,606	(18,556)	(9,925)
Net cash provided by operating activities	566,436	505,898	484,407
Cash flows from investing activities:			
Development of real estate investments	(573,544)	(446,801)	(577,383)
Acquisition of buildings and related intangible assets	(383,672)	(210,224)	(348,107)
Acquisition of land and other real estate assets	(248,413)	(388,202)	(244,262)
Second generation tenant improvements, leasing costs and building improvements	(41,099)	(47,549)	(53,474)
Other deferred leasing costs	(45,545)	(38,509)	(39,380)
Other assets	(4,868)	(10,777)	(14,535)
Proceeds from the repayments of notes receivable from property sales	110,000	162,550	154,107
Proceeds from land and property sales, net	336,255	432,662	511,391
Capital distributions from unconsolidated joint ventures	876	26,272	23,133
Capital contributions and advances to unconsolidated joint ventures	(6,211)	(34,496)	(5,920)
Net cash used for investing activities	(856,221)	(555,074)	(594,430)
Cash flows from financing activities:			
Proceeds from issuance of common shares, net	187,856	272,761	34,913
Proceeds from unsecured debt	663,123	582,284	450,000
Payments on unsecured debt	(546,972)	(255,812)	(7,190)
Proceeds from secured debt financings	18,400	—	—
Payments on secured indebtedness including principal amortization	(13,457)	(45,515)	(232,234)
Borrowings (repayments) on line of credit, net	295,000	(30,000)	30,000
Distributions to common shareholders	(355,287)	(318,702)	(291,502)
Distributions to noncontrolling interests, net	(3,347)	(2,648)	(2,456)
Tax payments on stock-based compensation awards	(4,360)	(6,825)	(8,459)
Change in book cash overdrafts	1,941	138	(22,088)
Cash settlement of interest rate swaps	—	(35,569)	—
Other financing activities	163	(10,183)	—
Deferred financing costs	(7,483)	(4,839)	(9,071)
Net cash provided by (used for) financing activities	235,577	145,090	(58,087)
Net (decrease) increase in cash, cash equivalents and restricted cash	(54,208)	95,914	(168,110)
Cash, cash equivalents and restricted cash at beginning of year	121,431	25,517	193,627
Cash, cash equivalents and restricted cash at end of year	\$ 67,223	\$ 121,431	\$ 25,517
Non-cash activities:			
Lease liabilities arising from right-of-use assets	\$ 20,883	\$ 40,467	\$ —
Carrying amount of pre-existing ownership interest in acquired property	\$ —	\$ —	\$ 5,034
Non-cash property contribution from noncontrolling interests	\$ —	\$ —	\$ 3,200
Assumption of indebtedness and other liabilities in real estate acquisitions	\$ 39,966	\$ —	\$ —
Conversion of Limited Partner Units to common shares	\$ —	\$ 1,624	\$ (269)

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
(in thousands, except per share data)

	Common Shareholders					Non-Controlling Interests	Total
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Net Income			
Balance at December 31, 2017	\$ 3,564	\$ 5,205,316	\$ —	\$ (676,036)	\$ 41,534	\$	\$ 4,574,378
Net income	—	—	—	383,729	3,539		387,268
Other comprehensive loss	—	—	(4,676)	—	—		(4,676)
Issuance of common shares	12	34,901	—	—	—		34,913
Contributions from noncontrolling interests	—	—	—	—	3,475		3,475
Stock-based compensation plan activity	8	4,432	—	(1,278)	8,956		12,118
Conversion of Limited Partner Units	5	(274)	—	—	269		—
Distributions to common shareholders (\$0.815 per share)	—	—	—	(291,502)	—		(291,502)
Distributions to noncontrolling interests	—	—	—	—	(2,731)		(2,731)
Balance at December 31, 2018	\$ 3,589	\$ 5,244,375	\$ (4,676)	\$ (585,087)	\$ 55,042	\$	\$ 4,713,243
Net income	—	—	—	428,972	3,672		432,644
Other comprehensive loss	—	—	(30,360)	—	—		(30,360)
Issuance of common shares	83	272,678	—	—	—		272,761
Contributions from noncontrolling interests	—	—	—	—	312		312
Stock-based compensation plan activity	7	6,787	—	(1,175)	7,703		13,322
Conversion of Limited Partner Units	1	1,623	—	—	(1,624)		—
Distributions to common shareholders (\$0.88 per share)	—	—	—	(318,702)	—		(318,702)
Distributions to noncontrolling interests	—	—	—	—	(2,960)		(2,960)
Balance at December 31, 2019	\$ 3,680	\$ 5,525,463	\$ (35,036)	\$ (475,992)	\$ 62,145	\$	\$ 5,080,260
Net income	—	—	—	299,915	2,845		302,760
Other comprehensive income	—	—	3,468	—	—		3,468
Issuance of common shares	50	187,806	—	—	—		187,856
Contributions from noncontrolling interests	—	—	—	—	200		200
Stock-based compensation plan activity	3	10,057	—	(1,155)	9,833		18,738
Distributions to common shareholders (\$0.96 per share)	—	—	—	(355,287)	—		(355,287)
Distributions to noncontrolling interests	—	—	—	—	(3,547)		(3,547)
Balance at December 31, 2020	\$ 3,733	\$ 5,723,326	\$ (31,568)	\$ (532,519)	\$ 71,476	\$	\$ 5,234,448

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Balance Sheets
As of December 31,
(in thousands)

	2020	2019
<u>ASSETS</u>		
Real estate investments:		
Real estate assets	\$ 8,745,155	\$ 7,993,377
Construction in progress	695,219	550,926
Investments in and advances to unconsolidated joint ventures	131,898	133,074
Undeveloped land	291,614	254,537
	<u>9,863,886</u>	<u>8,931,914</u>
Accumulated depreciation	(1,659,308)	(1,480,461)
Net real estate investments	<u>8,204,578</u>	<u>7,451,453</u>
Real estate investments and other assets held-for-sale	67,946	18,463
Cash and cash equivalents	6,309	110,891
Accounts receivable	15,204	20,349
Straight-line rent receivable	153,943	129,344
Receivables on construction contracts, including retentions	30,583	25,607
Deferred leasing and other costs, net of accumulated amortization of \$204,122 and \$203,857	329,765	320,444
Restricted cash held in escrow for like-kind exchange	47,682	1,673
Notes receivable from property sales	—	110,000
Other escrow deposits and other assets	255,384	232,338
	<u>\$ 9,111,394</u>	<u>\$ 8,420,562</u>
<u>LIABILITIES AND EQUITY</u>		
Indebtedness:		
Secured debt, net of deferred financing costs of \$343 and \$164	\$ 64,074	\$ 34,023
Unsecured debt, net of deferred financing costs of \$32,763 and \$19,258	3,025,977	2,880,742
Unsecured line of credit	295,000	—
	<u>3,385,051</u>	<u>2,914,765</u>
Liabilities related to real estate investments held-for-sale	7,740	887
Construction payables and amounts due subcontractors, including retentions	62,332	68,840
Accrued real estate taxes	76,501	69,042
Accrued interest	18,363	14,181
Other liabilities	269,806	223,680
Tenant security deposits and prepaid rents	57,153	48,907
Total liabilities	<u>3,876,946</u>	<u>3,340,302</u>
Partners' equity:		
Common equity (373,258 and 367,950 General Partner Units issued and outstanding, respectively)	5,194,540	5,053,151
Limited Partners' common equity (3,326 and 3,029 Limited Partner Units issued and outstanding, respectively)	66,874	57,575
Accumulated other comprehensive loss	(31,568)	(35,036)
Total partners' equity	<u>5,229,846</u>	<u>5,075,690</u>
Noncontrolling interests	4,602	4,570
Total equity	<u>\$ 9,111,394</u>	<u>\$ 8,420,562</u>

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income
For the Years Ended December 31,
(in thousands, except per unit amounts)

	2020	2019	2018
Revenues:			
Rental and related revenue	\$ 929,194	\$ 855,833	\$ 785,319
General contractor and service fee revenue	64,004	117,926	162,551
	<u>993,198</u>	<u>973,759</u>	<u>947,870</u>
Expenses:			
Rental expenses	76,639	75,584	71,436
Real estate taxes	149,295	129,520	125,269
General contractor and other services expenses	57,976	111,566	153,909
Depreciation and amortization	353,013	327,223	312,217
	<u>636,923</u>	<u>643,893</u>	<u>662,831</u>
Other operating activities:			
Equity in earnings of unconsolidated joint ventures	11,944	31,406	21,444
Gain on sale of properties	127,700	234,653	204,988
Gain on land sales	10,458	7,445	10,334
Other operating expenses	(8,209)	(5,318)	(5,231)
Impairment charges	(5,626)	—	—
Non-incremental costs related to successful leases	(12,292)	(12,402)	—
General and administrative expenses	(62,404)	(60,889)	(56,218)
	<u>61,571</u>	<u>194,895</u>	<u>175,317</u>
Operating income	417,846	524,761	460,356
Other income (expenses):			
Interest and other income, net	1,721	9,941	17,234
Interest expense	(93,442)	(89,756)	(85,006)
Loss on debt extinguishment	(32,900)	(6,320)	(388)
Gain on involuntary conversion	4,312	2,259	—
Income from continuing operations before income taxes	297,537	440,885	392,196
Income tax benefit (expense)	5,112	(8,686)	(8,828)
Income from continuing operations	302,649	432,199	383,368
Discontinued operations:			
Income before gain on sales and income taxes	—	—	108
Gain on sale of properties	111	445	3,792
Income from discontinued operations	111	445	3,900
Net income	302,760	432,644	387,268
Net loss (income) attributable to noncontrolling interests	(182)	6	(11)
Net income attributable to common unitholders	<u>\$ 302,578</u>	<u>\$ 432,650</u>	<u>\$ 387,257</u>
Basic net income per Common Unit:			
Continuing operations attributable to common unitholders	\$ 0.81	\$ 1.18	\$ 1.06
Discontinued operations attributable to common unitholders	—	—	0.01
Total	<u>\$ 0.81</u>	<u>\$ 1.18</u>	<u>\$ 1.07</u>
Diluted net income per Common Unit:			
Continuing operations attributable to common unitholders	\$ 0.80	\$ 1.18	\$ 1.06
Discontinued operations attributable to common unitholders	—	—	0.01
Total	<u>\$ 0.80</u>	<u>\$ 1.18</u>	<u>\$ 1.07</u>
Weighted average number of Common Units outstanding	373,360	365,352	360,859
Weighted average number of Common Units and potential dilutive securities	374,156	367,339	363,297
Comprehensive income:			
Net income	\$ 302,760	\$ 432,644	\$ 387,268
Other comprehensive loss:			
Unrealized losses on interest rate swap contracts	—	(30,893)	(4,676)
Amortization of interest rate swap contracts	3,468	533	—
Total other comprehensive income (loss)	3,468	(30,360)	(4,676)
Comprehensive income	<u>\$ 306,228</u>	<u>\$ 402,284</u>	<u>\$ 382,592</u>

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31,
(in thousands)

	2020	2019	2018
Cash flows from operating activities:			
Net income	\$ 302,760	\$ 432,644	\$ 387,268
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	297,158	272,422	256,250
Amortization of deferred leasing and other costs	55,855	54,801	55,967
Amortization of deferred financing costs	9,155	6,536	5,867
Straight-line rental income and expense, net	(25,865)	(21,197)	(24,605)
Impairment charges	5,626	—	—
Loss on debt extinguishment	32,900	6,320	388
Gain on involuntary conversion	(4,312)	(2,259)	—
Gains on land and property sales	(138,269)	(242,543)	(219,114)
Third-party construction contracts, net	(2,511)	9,254	(15,400)
Other accrued revenues and expenses, net	29,333	8,476	47,711
Operating distributions received in excess of (less than) equity in earnings from unconsolidated joint ventures	4,606	(18,556)	(9,925)
Net cash provided by operating activities	566,436	505,898	484,407
Cash flows from investing activities:			
Development of real estate investments	(573,544)	(446,801)	(577,383)
Acquisition of buildings and related intangible assets	(383,672)	(210,224)	(348,107)
Acquisition of land and other real estate assets	(248,413)	(388,202)	(244,262)
Second generation tenant improvements, leasing costs and building improvements	(41,099)	(47,549)	(53,474)
Other deferred leasing costs	(45,545)	(38,509)	(39,380)
Other assets	(4,868)	(10,777)	(14,535)
Proceeds from the repayments of notes receivable from property sales	110,000	162,550	154,107
Proceeds from land and property sales, net	336,255	432,662	511,391
Capital distributions from unconsolidated joint ventures	876	26,272	23,133
Capital contributions and advances to unconsolidated joint ventures	(6,211)	(34,496)	(5,920)
Net cash used for investing activities	(856,221)	(555,074)	(594,430)
Cash flows from financing activities:			
Contributions from the General Partner	187,856	272,761	34,913
Proceeds from unsecured debt	663,123	582,284	450,000
Payments on unsecured debt	(546,972)	(255,812)	(7,190)
Proceeds from secured debt financings	18,400	—	—
Payments on secured indebtedness including principal amortization	(13,457)	(45,515)	(232,234)
Borrowings (repayments) on line of credit, net	295,000	(30,000)	30,000
Distributions to common unitholders	(358,484)	(321,469)	(294,233)
(Distributions to) contributions from noncontrolling interests, net	(150)	119	275
Tax payments on stock-based compensation awards	(4,360)	(6,825)	(8,459)
Change in book cash overdrafts	1,941	138	(22,088)
Cash settlement of interest rate swaps	—	(35,569)	—
Other financing activities	163	(10,183)	—
Deferred financing costs	(7,483)	(4,839)	(9,071)
Net cash provided by (used for) financing activities	235,577	145,090	(58,087)
Net (decrease) increase in cash, cash equivalents and restricted cash	(54,208)	95,914	(168,110)
Cash, cash equivalents and restricted cash at beginning of year	121,431	25,517	193,627
Cash, cash equivalents and restricted cash at end of year	<u>\$ 67,223</u>	<u>\$ 121,431</u>	<u>\$ 25,517</u>
Non-cash activities:			
Lease liabilities arising from right-of-use assets	\$ 20,883	\$ 40,467	\$ —
Carrying amount of pre-existing ownership interest in acquired property	\$ —	\$ —	\$ 5,034
Non-cash property contribution from noncontrolling interests	\$ —	\$ —	\$ 3,200
Assumption of indebtedness and other liabilities in real estate acquisitions	\$ 39,966	\$ —	\$ —
Conversion of Limited Partner Units to common shares of the General Partner	\$ —	\$ 1,624	\$ (269)

See accompanying Notes to Consolidated Financial Statements.

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
(in thousands, except per unit data)

	Common Unitholders					
	General Partner Common Equity	Limited Partners' Common Equity	Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2017	\$ 4,532,844	\$ 40,563	\$ —	\$ 4,573,407	\$ 971	\$ 4,574,378
Net income	383,729	3,528	—	387,257	11	387,268
Other comprehensive loss	—	—	(4,676)	(4,676)	—	(4,676)
Capital contribution from the General Partner	34,913	—	—	34,913	—	34,913
Stock-based compensation plan activity	3,162	8,956	—	12,118	—	12,118
Contributions from noncontrolling interests	—	—	—	—	3,475	3,475
Conversion of Limited Partner Units	(269)	269	—	—	—	—
Distributions to Partners (\$0.815 per Common Unit)	(291,502)	(2,731)	—	(294,233)	—	(294,233)
Balance at December 31, 2018	\$ 4,662,877	\$ 50,585	\$ (4,676)	\$ 4,708,786	\$ 4,457	\$ 4,713,243
Net income	428,972	3,678	—	432,650	(6)	432,644
Other comprehensive loss	—	—	(30,360)	(30,360)	—	(30,360)
Capital contribution from the General Partner	272,761	—	—	272,761	—	272,761
Stock-based compensation plan activity	5,619	7,703	—	13,322	—	13,322
Contributions from noncontrolling interests	—	—	—	—	312	312
Conversion of Limited Partner Units	1,624	(1,624)	—	—	—	—
Distributions to Partners (\$0.88 per Common Unit)	(318,702)	(2,767)	—	(321,469)	—	(321,469)
Distributions to noncontrolling interests	—	—	—	—	(193)	(193)
Balance at December 31, 2019	\$ 5,053,151	\$ 57,575	\$ (35,036)	\$ 5,075,690	\$ 4,570	\$ 5,080,260
Net income	299,915	2,663	—	302,578	182	302,760
Other comprehensive income	—	—	3,468	3,468	—	3,468
Capital contribution from the General Partner	187,856	—	—	187,856	—	187,856
Stock-based compensation plan activity	8,905	9,833	—	18,738	—	18,738
Contributions from noncontrolling interests	—	—	—	—	200	200
Distributions to Partners (\$0.96 per Common Unit)	(355,287)	(3,197)	—	(358,484)	—	(358,484)
Distributions to noncontrolling interests	—	—	—	—	(350)	(350)
Balance at December 31, 2020	\$ 5,194,540	\$ 66,874	\$ (31,568)	\$ 5,229,846	\$ 4,602	\$ 5,234,448

See accompanying Notes to Consolidated Financial Statements.

The Company

The General Partner was formed in 1985, and we believe that it qualifies as a REIT under the provisions of the Code. The Partnership was formed on October 4, 1993, when the General Partner contributed all of its properties and related assets and liabilities, together with the net proceeds from an offering of additional shares of its common stock, to the Partnership. Simultaneously, the Partnership completed the acquisition of Duke Associates, a full-service commercial real estate firm operating in the Midwest whose operations began in 1972.

The General Partner is the sole general partner of the Partnership, owning approximately 99.1% of the Common Units at December 31, 2020. The remaining 0.9% of the Common Units are owned by limited partners. As the sole general partner of the Partnership, the General Partner has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Partnership. The General Partner and the Partnership are operated as one enterprise. The management of the General Partner consists of the same members as the management of the Partnership. As the sole general partner with control of the Partnership, the General Partner consolidates the Partnership for financial reporting purposes, and the General Partner does not have any significant assets other than its investment in the Partnership. Therefore, the assets and liabilities of the General Partner and the Partnership are substantially the same.

Limited partners have the right to redeem their Limited Partner Units, subject to certain restrictions. Pursuant to the Partnership Agreement, the General Partner is obligated to redeem the Limited Partner Units in shares of its common stock, unless it determines in its reasonable discretion that the issuance of shares of its common stock could cause it to fail to qualify as a REIT. Each Limited Partner Unit shall be redeemed for one share of the General Partner's common stock, or, in the event that the issuance of shares could cause the General Partner to fail to qualify as a REIT, cash equal to the fair market value of one share of the General Partner's common stock at the time of redemption, in each case, subject to certain adjustments described in the Partnership Agreement. The Limited Partner Units are not required, per the terms of the Partnership Agreement, to be redeemed in registered shares of the General Partner.

As of December 31, 2020, we owned and operated a portfolio primarily consisting of industrial properties and provided real estate services to third-party owners.

Substantially all of our Rental Operations (see Note 10) are conducted through the Partnership. We conduct our Service Operations (see Note 10) through Duke Realty Services, LLC, Duke Realty Services Limited Partnership and Duke Construction Limited Partnership ("DCLP"), which are consolidated entities that are 100% owned by a combination of the General Partner and the Partnership. DCLP is owned through a taxable REIT subsidiary.

Summary of Significant Accounting Policies

Principles of Consolidation

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

Due to the fact that the Limited Partners do not have kick out rights, or substantive participating rights, the Partnership is a VIE. Because the General Partner holds majority ownership and exercises control over every aspect of the Partnership's operations, the General Partner has been determined as the primary beneficiary of the Partnership and, therefore, consolidates the Partnership.

The assets and liabilities of the General Partner and the Partnership are substantially the same, as the General Partner does not have any significant assets other than its investment in the Partnership.

Reclassifications

There have been no amounts in the accompanying consolidated financial statements reclassified to conform to the 2020 consolidated financial statement presentation.

Real Estate Investments

Rental real property, including land, land improvements, buildings and tenant improvements, are included in real estate investments and are generally stated at cost. Construction in process and undeveloped land are included in real estate investments and are stated at cost. Real estate investments also include our equity interests in unconsolidated joint ventures that own and operate rental properties and hold land for development.

Depreciation

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

Cost Capitalization

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

Effective on January 1, 2019, only costs that are incremental to executing a lease are capitalizable. Prior to January 1, 2019, we capitalized a portion of our indirect costs associated with our leasing efforts based on the amount of time spent on leasing activities.

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

We cease capitalization of all project costs on extended lease-up periods when significant activities have ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the property attains 90% occupancy.

Impairment

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

the holding period and an earlier sale date, an impairment loss could be recognized and such loss could be material. To the extent the carrying amount of a real estate asset, or asset group, exceeds the associated estimate of undiscounted cash flows, an impairment loss is recorded to reduce the carrying value of the asset to its fair value.

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

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

Purchase Accounting

Our acquisitions of properties have been accounted for as asset acquisitions as they have not met the definition of a business. Transaction costs related to asset acquisitions are capitalized. To the extent that an acquired property meets the definition of a business, we expense acquisition related costs immediately as period costs.

To the extent that we gain control of real estate properties that are accounted for as asset acquisitions, as opposed to business combinations, we accumulate the costs of pre-existing equity interest and consideration paid for additional interest acquired and we do not remeasure our pre-existing equity interest. Generally contingencies arising from an asset acquisition are only recognized when the contingency is paid or becomes payable.

We allocate the purchase price of asset acquisitions that meet the definition of a business to tangible and identified intangible assets based on their relative fair values, using all pertinent information available at the date of acquisition. Capitalized acquisition costs are also included in the total cost basis of acquired properties that are asset acquisitions. The allocation to tangible assets (buildings, tenant improvements and land) is based upon management's determination of the value of the property as if it were vacant. This "as-if vacant" value is estimated using an income, or discounted cash flow, approach that relies upon internally determined assumptions that we believe are consistent with current market conditions for similar properties. The most important assumptions in determining the allocation of the purchase price to tangible assets are the exit capitalization rate, estimated market rents and the fair value of the underlying land. The purchase price of real estate assets is also allocated to intangible assets consisting of the above or below market component of in-place leases and the value of in-place leases.

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

Factors considered in determining the value allocable to in-place leases include estimates, during hypothetical expected lease-up periods, of space that is actually leased at the time of acquisition, of lost rent at market rates, fixed operating costs that will be recovered from tenants and theoretical leasing commissions required to execute similar leases. These intangible assets are included in deferred leasing and other costs in the balance sheet and are amortized over the remaining term of the existing lease.

Joint Ventures

We have equity interests in unconsolidated joint ventures that primarily own and operate rental properties or hold land for development. These unconsolidated joint ventures are primarily engaged in the operation and development of industrial real estate properties.

We consolidate joint ventures that are considered to be VIEs where we are the primary beneficiary. We analyze our investments in joint ventures to determine if the joint venture is considered a VIE and would require consolidation. We (i) evaluate the sufficiency of the total equity investment at risk, (ii) review the voting rights and decision-making authority of the equity investment holders as a group and whether there are limited partners (or similar owning entities) that lack substantive participating or kick out rights, guaranteed returns, protection against losses, or capping of residual returns within the group and (iii) establish whether activities within the venture are on behalf of an investor with disproportionately few voting rights in making this VIE determination.

To the extent that we own interests in a VIE and we (i) have the power to direct the activities that most significantly impact the economic performance of the VIE and (ii) have the obligation or rights to absorb losses or receive benefits that could potentially be significant to the VIE, then we would be determined to be the primary beneficiary and would consolidate the VIE. To the extent that we own interests in a VIE, then at each reporting period, we re-assess our conclusions as to which, if any, party within the VIE is considered the primary beneficiary. Consolidated joint ventures that are VIE's were not significant in any period presented in these consolidated financial statements.

To the extent that our joint ventures do not qualify as VIEs, they are consolidated if we control them through majority ownership interests or if we are the managing entity (general partner or managing member) and our partner does not have substantive participating rights. Control is further demonstrated by our ability to unilaterally make significant operating decisions, refinance debt and sell the assets of the joint venture without the consent of the non-managing entity and the inability of the non-managing entity to remove us from our role as the managing entity. Consolidated joint ventures that are not VIEs are not significant in any period presented in these consolidated financial statements.

We use the equity method of accounting for those joint ventures where we exercise significant influence but do not have control. Under the equity method of accounting, our investment in each joint venture is included on our balance sheet; however, the assets and liabilities of the joint ventures for which we use the equity method are not included on our balance sheet.

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

When circumstances indicate there may have been a reduction in the value of an equity investment, we evaluate whether the loss in value is other than temporary. If we conclude it is other than temporary, we recognize an impairment charge to reflect the equity investment at fair value.

There were no unconsolidated joint ventures, in which we have any recognized assets or liabilities or have retained any economic exposure to loss at December 31, 2020 that met the criteria to be considered VIEs.

Cash Equivalents

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

Valuation of Receivables

Upon the adoption of ASC 842 on January 1, 2019, our determination of the adequacy of our allowances for tenant receivables includes a binary assessment of whether or not the amounts due under a tenant's lease agreement are probable of collection. For such amounts that are deemed probable of collection, revenue continues to be recorded

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

on a straight-line basis over the lease term. For such amounts that are deemed not probable of collection, revenue is recorded as the lesser of (i) the amount which would be recognized on a straight-line basis or (ii) cash that has been received from the tenant, with any tenant and deferred rent receivable balances charged as a direct write-off against rental income in the period of the change in the collectability determination.

Deferred Costs

Deferred Financing Costs

Costs incurred in connection with obtaining financing are deferred and are amortized to interest expense over the term of the related loan. The costs for issuing debt, other than lines of credit, are presented on the consolidated balance sheets as a direct deduction from the debt's carrying value, while debt issuance costs related to the Partnership's unsecured line of credit are presented as assets on the consolidated balance sheets, as part of other escrow deposits and other assets.

Lease Related Costs and Acquired Lease-Related Intangible Assets

Effective on January 1, 2019, only costs that are directly incremental to executing a lease are capitalized.

Acquired lease-related intangible assets consist of above market lease assets and the value allocable to in-place leases. Above market lease assets are amortized as a reduction to rental income over the remaining terms of the respective leases. In-place lease intangible assets are amortized on a straight-line basis and included within depreciation and amortization in the consolidated statements of operations and comprehensive income.

Deferred leasing costs and acquired lease-related intangible assets at December 31, 2020 and 2019, excluding amounts classified as held-for-sale, were as follows (in thousands):

	2020	2019
Deferred leasing costs	\$ 359,646	\$ 333,706
Acquired lease-related intangible assets	174,241	190,595
	<u>\$ 533,887</u>	<u>\$ 524,301</u>
Accumulated amortization - deferred leasing costs	\$ (120,756)	\$ (109,843)
Accumulated amortization - acquired lease-related intangible assets	(83,366)	(94,014)
Total	<u>\$ 329,765</u>	<u>\$ 320,444</u>

Amounts recorded related to amortization expense for in-place leases for the years ended December 31, 2020, 2019 and 2018 totaled \$19.5 million, \$22.0 million and \$25.0 million, respectively. Charges to rental income related to the amortization of above market lease assets for the years ended December 31, 2020, 2019 and 2018 totaled \$639,000, \$703,000 and \$777,000, respectively.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The expected future amortization, or charge to rental income, of acquired lease-related intangible assets is summarized in the table below (in thousands):

Year	Amortization Expense	Charge to Rental Income
2021	\$ 18,925	\$ 363
2022	15,412	353
2023	13,603	353
2024	11,014	59
2025	8,866	—
Thereafter	21,927	—
	<u>\$ 89,747</u>	<u>\$ 1,128</u>

Noncontrolling Interests

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

When a Common Unit of the Partnership is redeemed (Note 1), the change in ownership is treated as an equity transaction by the General Partner and there is no effect on its earnings or net assets.

Revenue Recognition

On January 1, 2018, we concurrently adopted ASC 606, *Revenue from Contracts with Customers* ("ASC 606") and ASC 610-20, *Other Income: Gains and Losses from the De-recognition of Non-financial Assets* ("ASC 610-20") using a modified retrospective ("cumulative effect") method of adoption. ASC 606 has superseded nearly all existing GAAP revenue recognition guidance, although its scope excludes lease contracts, which represent our primary source of revenue. The standard's core principle is that a company will recognize revenue when it satisfies performance obligations, by transferring promised goods or services to customers, in an amount that reflects the consideration to which the company expects to be entitled in exchange for fulfilling those performance obligations.

There was no cumulative adjustment recognized to beginning retained earnings as of January 1, 2018 as the result of adopting ASC 606 and ASC 610-20.

Rental and Related Revenue

Rental income from leases is recognized on a straight-line basis. If a lease provides for tenant improvements, we determine whether we or the tenant is the owner of the tenant improvements. When we are the owner of the tenant improvements, any tenant improvements funded by the tenant are treated as lease payments which are deferred and amortized as revenue over the lease term. When the tenant is the owner of the tenant improvements, and we fund such improvements, we record such tenant improvement allowances as lease incentives and amortize as a reduction of revenue over the lease term.

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

General Contractor and Service Fee Revenue

Effective on January 1, 2018, general contractor and service fee revenues, as presented on the Consolidated Statements of Operations, are accounted for within the scope of ASC 606. General contractor and service fee revenues are comprised primarily of construction and development related revenues earned from third parties while acting in capacity of a developer, as a general contractor or a construction manager. There are other ancillary streams of revenue included in general contractor and service fee revenues (see Note 10), such as management fees earned from unconsolidated joint ventures, which are not significant.

Our construction arrangements are typically structured with only one performance obligation, which generally represents an obligation either to construct a new building or to construct fixtures in an existing building, and these single performance obligations are satisfied over time as construction progresses. We recognize revenue as we satisfy such performance obligations using the percentage of completion method, which is an input method allowed under ASC 606. Using this method, profits are recorded based on our estimates of the percentage of completion of individual contracts, commencing when the work performed under the contracts reaches a point where the final costs can be estimated with reasonable accuracy. The percentage of completion estimates are based on a comparison of the contract expenditures incurred to the estimated final costs. We believe the percentage of completion method is a faithful depiction of the transfer of goods and services as changes in job performance and estimated profitability, which result in revisions to costs and income and are recognized in the period in which the revisions are determined, have not historically been significant. We typically receive regular progress payments on the majority of our construction arrangements and such arrangements generally have an original duration of less than one year. As the result of the relatively short duration of our construction arrangements, we have elected to apply the optional disclosure exemptions, included in ASC 606, related to our remaining performance obligations for our in-process construction projects, for which any future variable consideration is not material. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined. To the extent that a fixed-price contract is estimated to result in a loss, the loss is recorded immediately.

Opening and closing balances of construction receivables are presented separately on the Consolidated Balance Sheets. Under billed and over billed receivables on construction contracts totaled \$16.6 million and \$105,000, respectively, at December 31, 2020 and \$16.5 million and \$159,000, respectively, at December 31, 2019. Over billed receivables are included in other liabilities in the Consolidated Balance Sheets. We generally do not have any contract assets associated with our construction arrangements.

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.

Property Sales

Only disposals representing a strategic shift in operations (for example, a disposal of a major geographic area or a major line of business) should be presented as discontinued operations in accordance with ASC 205-20, without consideration of significant continuing involvement.

Effective on January 1, 2018, gains on sales of properties, including partial sales, of non-financial assets (and in-substance non-financial assets) to non-customers are recognized in accordance with ASC 610-20, while the sale of non-financial assets with customers are governed by ASC 606. The only difference in the treatment of sales to customers and non-customers is the presentation in the Consolidated Statements of Operations (revenue and expense is reported when the sale is to a customer and net gain or loss is reported when the sale is to a non-customer). Based on the nature of our business, our property sales generally represent transactions with non-customers. In the typical course of our business, sales of non-financial assets represent only one performance obligation and are recognized when an enforceable contract is in place, collectability is ensured and control is transferred to the buyer.

Under ASC 610-20 we are required to recognize a full gain or loss in a partial sale of non-financial assets, to the extent control is not retained. Any noncontrolling interest retained by the seller would, accordingly, be measured at fair value. We have primarily disposed of property and land in all cash transactions with no contingencies and no future involvement in the operations, and therefore, the adoption of ASC 610-20 has not significantly impacted the recognition of property and land sales.

Leases

On January 1, 2019, we adopted the new lease standard, ASC 842, on a prospective basis. ASC 842 has superseded all previous GAAP guidance for accounting for leases.

As part of adoption, we elected the package of practical expedients available for implementation, which included: (i) relief from re-assessing whether an expired or existing contract meets the definition of a lease, (ii) relief from re-assessing the classification of expired or existing leases at the adoption date and (iii) allowing previously capitalized initial direct leasing costs to continue to be amortized. Due in large part to electing these practical expedients, the adoption of ASC 842 did not result in recording a cumulative adjustment to the opening balance of distributions in excess of net income.

As a lessor, our primary business is the development, acquisition, and operation of industrial real estate properties that are held for investment and leased to tenants. We manage residual risk through investing in properties that we believe will appreciate in value over time. We also perform a credit analysis for tenants prior to leases being executed, and on an ongoing basis, to ensure collectability is probable prior to recognizing lease revenues on an accrual basis.

For lessors, the accounting under ASC 842 remains largely unchanged with the notable exception that ASC 842 requires that lessors expense certain initial direct costs, which were capitalizable under prior leasing standards, as incurred. Under ASC 842, only the incremental costs of signing a lease are capitalizable. Non-incremental costs attributable to successful leases represent internal costs allocable to successful leasing activities and exclude estimated costs related to downtime and/or unsuccessful deals. These costs primarily consist of compensation and other benefits for internal leasing and legal personnel. These costs are not capitalizable "incremental costs" in the context of the applicable lease accounting rules, but we believe separate presentation on the Consolidated Statements of Operations provides useful information for purposes of comparability with economically similar success-based costs incurred by other organizations that outsource their leasing functions, which are generally capitalizable.

ASC 842 also requires lessors to exclude certain lessor costs, such as real estate taxes and insurance, that are paid directly by lessees to third parties from rental revenue and the associated rental expense. Lessor costs that are paid by the lessor and reimbursed by the lessee continue to be recorded through rental revenue and the associated rental expense.

ASC 842 allows lessors an additional practical expedient to not separate rental recovery revenue related to lease-related services from the associated rental revenue related to the lease when certain criteria are met. The lease-related services provided to our tenants include property management, common area maintenance ("CAM") and utilities. We assessed the applicable criteria, concluding that the timing and straight-line pattern of transfer to the lessees for rental recovery revenue from our lease-related services and revenue from the underlying leases are the same and that lease classification does not change, and elected to apply this additional practical expedient.

As a lessee, ASC 842 requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee. This classification determines whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use ("ROU") asset and a lease liability for all leases with a term of greater than 12 months regardless of classification.

See Note 3 for further disclosure on our leases as a lessor and lessee.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Net Income Per Common Share or Common Unit

Basic net income per common share or Common Unit is computed by dividing net income attributable to common shareholders or common unitholders, less dividends or distributions on share-based awards expected to vest (referred to as "participating securities" and primarily composed of unvested restricted stock units), by the weighted average number of common shares or Common Units outstanding for the period.

Diluted net income per common share is computed by dividing the sum of net income attributable to common shareholders and the noncontrolling interest in earnings allocable to Limited Partner Units (to the extent the Limited Partner Units are dilutive), less dividends or distributions on participating securities that are anti-dilutive, by the sum of the weighted average number of common shares outstanding and, to the extent they are dilutive, weighted average number of Limited Partner Units outstanding and any potential dilutive securities for the period. Diluted net income per Common Unit is computed by dividing the net income attributable to common unitholders, less dividends or distributions on participating securities that are anti-dilutive, by the sum of the weighted average number of Common Units outstanding and any potential dilutive securities for the period.

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

	2020	2019	2018
<u>General Partner</u>			
Net income attributable to common shareholders	\$ 299,915	\$ 428,972	\$ 383,729
Less: Dividends on participating securities	(1,447)	(1,487)	(1,675)
Basic net income attributable to common shareholders	298,468	427,485	382,054
Add back dividends on dilutive participating securities	—	1,487	1,675
Noncontrolling interest in earnings of common unitholders	2,663	3,678	3,528
Diluted net income attributable to common shareholders	\$ 301,131	\$ 432,650	\$ 387,257
Weighted average number of common shares outstanding	370,057	362,234	357,569
Weighted average Limited Partner Units outstanding	3,303	3,118	3,290
Other potential dilutive shares	796	1,987	2,438
Weighted average number of common shares and potential dilutive securities	374,156	367,339	363,297
<u>Partnership</u>			
Net income attributable to common unitholders	\$ 302,578	\$ 432,650	\$ 387,257
Less: Distributions on participating securities	(1,447)	(1,487)	(1,675)
Basic net income attributable to common unitholders	\$ 301,131	\$ 431,163	\$ 385,582
Add back distributions on dilutive participating securities	—	1,487	1,675
Diluted net income attributable to common unitholders	\$ 301,131	\$ 432,650	\$ 387,257
Weighted average number of Common Units outstanding	373,360	365,352	360,859
Other potential dilutive units	796	1,987	2,438
Weighted average number of Common Units and potential dilutive securities	374,156	367,339	363,297

The following table summarizes the data that is excluded from the computation of net income per common share or Common Unit as a result of being anti-dilutive (in thousands):

	2020	2019	2018
<u>General Partner and Partnership</u>			
Other potential dilutive shares or units:			
Anti-dilutive outstanding potential shares or units under fixed stock option and other stock-based compensation plans	—	—	—
Anti-dilutive outstanding participating securities	1,621	—	—

Federal Income Taxes

General Partner

The General Partner has elected to be taxed as a REIT under the Code, as amended. To qualify as a REIT, the General Partner must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of its REIT taxable income to its shareholders. Management intends to continue to adhere to these requirements and to maintain the General Partner's REIT status. As a REIT, the General Partner is entitled to a tax deduction for the dividends it pays to shareholders. Accordingly, the General Partner generally will not be subject to federal income taxes as long as it currently distributes to shareholders an amount equal to or in excess of its taxable income. The General Partner is, however, generally subject to federal income taxes on any taxable income that is not currently distributed to its shareholders. If the General Partner 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 we pay. In addition, our financial statements include the operations of taxable corporate subsidiaries that are not entitled to a dividends paid deduction and are subject to federal, state and local income taxes. As a REIT, the General Partner may also be subject to certain federal excise taxes if it engages in certain types of transactions.

The following table reconciles the General Partner's net income to taxable income before the dividends paid deduction, and subject to the 90% distribution requirement, for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	2020	2019	2018
Net income	\$ 302,760	\$ 432,644	\$ 387,268
Book/tax differences	39,566	(120,421)	(97,079)
Taxable income before the dividends paid deduction	342,326	312,223	290,189
Less: capital gains	(90,242)	(62,513)	(63,151)
Adjusted taxable income subject to the 90% distribution requirement	\$ 252,084	\$ 249,710	\$ 227,038

The General Partner's dividends paid deduction is summarized below (in thousands):

	2020	2019	2018
Cash dividends paid	\$ 355,287	\$ 318,702	\$ 291,502
Cash dividends declared and paid in subsequent year that apply to current year	—	6,521	9,286
Cash dividends declared and paid in current year that apply to previous year	(6,521)	(9,286)	(7,901)
Dividends paid deduction	348,766	315,937	292,887
Less: Capital gain distributions	(90,242)	(62,513)	(63,151)
Dividends paid deduction attributable to adjusted taxable income subject to the 90% distribution requirement	\$ 258,524	\$ 253,424	\$ 229,736

Our tax return for the year ended December 31, 2020 has not been filed. The taxability information presented for our dividends paid in 2020 is based upon management's estimate. Consequently, the taxability of dividends is subject to change. A summary of the designated tax characterization of the dividends paid by the General Partner for the years ended December 31, 2020, 2019 and 2018 is as follows:

	2020	2019	2018
<u>Common Shares</u>			
Ordinary income	74.6 %	80.7 %	78.4 %
Capital gains	25.4 %	19.3 %	21.6 %
	100.0 %	100.0 %	100.0 %

Partnership

For the Partnership, the allocated share of income and loss other than the operations of its taxable REIT subsidiary is included in the income tax returns of its partners; accordingly the only federal income taxes included in the accompanying consolidated financial statements of the Partnership are in connection with its taxable REIT subsidiary.

Deferred Tax Assets

A valuation allowance is in place for substantially all of the deferred tax assets of the taxable REIT subsidiary for all periods presented. Based primarily on the projections of taxable income pursuant to our current operating strategy, management believes that it is more likely than not that the taxable REIT subsidiary will not generate sufficient taxable income to realize these deferred tax assets. Income taxes are not material to our operating results or financial position. Our taxable REIT subsidiary has no significant net deferred income tax positions or unrecognized tax benefit items.

Cash Paid for Income Taxes

We received income tax refunds, net of federal, state and local income tax payments, of \$308,000 in 2020. We paid federal, state and local income taxes, net of income tax refunds, of \$7.8 million and \$3.7 million in 2019 and 2018, respectively.

Fair Value Measurements

We estimate fair value using available market information and valuation methodologies. Assets and liabilities recorded at fair value on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

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

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

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

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

Derivative Financial Instruments

We periodically enter into certain interest rate protection agreements to effectively convert or cap floating rate debt to a fixed rate, and to hedge anticipated future financing transactions, both of which qualify for cash flow hedge accounting treatment. We do not utilize derivative financial instruments for trading or speculative purposes. The entire effect of any hedging instruments and hedged items are presented in the same income statement line item.

If a derivative qualifies as a cash flow hedge, the gain or loss on the derivative is recorded in accumulated other comprehensive income or loss and subsequently reclassified into interest expense in the same period during which the hedged forecasted transaction affects earnings. For all hedging relationships, we formally document the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged and how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively.

Use of Estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Leases

Lease Income

Our leases generally include scheduled rent increases, but do not include variable payments based on indexes. Our rental revenue is primarily based on fixed, non-cancelable leases. Our variable rental revenue primarily consists of amounts recovered from lessees for property tax, insurance and CAM.

All revenues related to lease and lease-related services are included in, and comprise substantially all of, the caption "Rental and Related Revenue" on the Consolidated Statements of Operations and Comprehensive Income. The components of Rental and Related Revenue are as follows (in thousands):

	Twelve Months Ended December 31,		
	2020	2019	2018
Rental revenue - fixed payments	\$ 692,753	\$ 645,759	\$ 587,187
Rental revenue - variable payments (1)	236,441	210,074	198,249
Rental and related revenue	\$ 929,194	\$ 855,833	\$ 785,436

(1) Primarily includes tenant recoveries for real estate taxes, insurance and CAM.

The future minimum rents due to us under non-cancelable operating leases are as follows (in thousands):

Year	December 31, 2020
2021	\$ 724,044
2022	696,757
2023	630,830
2024	564,468
2025	488,175
Thereafter	2,042,940
	\$ 5,147,214

Lessee Accounting

As of December 31, 2020, our lease arrangements, where we are the lessee, primarily consisted of office and ground leases. For these lease arrangements, we recognized ROU assets and the corresponding lease liabilities representing the discounted value of future lease payments required under ASC 842. In determining these amounts, we elected an available practical expedient that allows us, as a lessee, to not separate lease and non-lease components. Expenses recognized on these leases for the year ended December 31, 2020 were not material.

All of our office leases are classified as operating leases under ASC 842. Ground leases that were classified as operating leases prior to adoption of ASC 842 continue to be accounted for as operating leases by electing the practical expedient under ASC 842. In July 2020, we entered into a long-term ground lease which met the criteria to be classified as a finance lease. In December 2020, we entered into another long-term ground lease, for which a ROU asset and associated liability will be recognized when our construction commences in early 2021.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2020, a \$38.9 million ROU asset associated with operating leases was included within Other Escrow Deposits and Other Assets and a corresponding lease liability of \$42.9 million was included in Other Liabilities on our Consolidated Balance Sheets. As of December 31, 2019, total ROU assets and liabilities for operating leases were \$40.5 million and \$46.9 million, respectively. The following table summarizes the future lease payments (in thousands) to be made under non-cancellable operating lease arrangements:

Year	December 31, 2020
2021	\$ 4,605
2022	4,470
2023	4,128
2024	3,111
2025	1,427
Thereafter	82,760
Total undiscounted operating lease payments	\$ 100,501
Less: imputed interest	57,627
Present value of operating lease payments	\$ 42,874

The weighted average remaining lease term for our operating lease arrangements, on a combined basis as of December 31, 2020, was 33.7 years. The weighted average discount rate for our operating lease arrangements as of December 31, 2020 was 4.43%. As the discount rates implied in our operating lease arrangements were not readily determinable, we utilized our current credit ratings and credit yields observed from market traded securities with similar credit ratings to form a reasonable basis to establish secured borrowing rates when determining the present value of future operating lease payments.

As of December 31, 2020, a \$19.2 million ROU asset associated with the finance lease was included within Other Escrow Deposits and Other Assets and a corresponding \$19.4 million lease liability was included within Other Liabilities on our Consolidated Balance Sheets. The future lease payments (in thousands) under our finance lease as of December 31, 2020 for five years and thereafter are as follows:

Year	December 31, 2020
2021	\$ 245
2022	847
2023	864
2024	881
2025	899
Thereafter	64,989
Total undiscounted finance lease payments	\$ 68,725
Less: imputed interest	49,295
Present value of finance lease payments	\$ 19,430

The ground lease payment obligation is subject to an annual consumer price index increase limited within a minimum 2% and a maximum 3% increase. The contractual obligations for this lease included above assume the minimum annual increase for the remainder of the lease term since we cannot predict future adjustments. The remaining lease term on this finance lease as of December 31, 2020 was 49.6 years prior to any impact of lease extension options or purchase options. The discount rate in the finance lease agreement was determined to be 5.30%, which was the lessor's implicit rate in the lease that was readily determinable when the lease commenced.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows (in thousands):

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 6,309	\$ 110,891
Restricted cash held in escrow for like-kind exchange	47,682	1,673
Restricted cash included in other escrow deposits and other assets	13,232	8,867
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	<u>\$ 67,223</u>	<u>\$ 121,431</u>

Restricted cash held in escrow for like-kind exchange on the Consolidated Balance Sheets includes cash received from the property dispositions but restricted only for qualifying like-kind exchange transactions.

Acquisitions and Dispositions

Acquisitions and dispositions for the periods presented were completed in accordance with our strategy to reposition our investment concentration among the markets in which we operate and to increase our overall investments in quality industrial projects. Transaction costs related to asset acquisitions are capitalized and transaction costs related to business combinations and dispositions are expensed.

2020 Acquisitions

We paid cash of \$383.7 million for asset acquisitions during the year ended December 31, 2020.

We acquired ten properties during the year ended December 31, 2020. We determined that these ten properties did not meet the definition of a business and, accordingly, we accounted for them as asset acquisitions as opposed to business combinations.

The following table summarizes amounts recognized for each major class of assets and liabilities (in thousands) for these acquisitions during the year ended December 31, 2020:

Real estate assets	\$ 410,481
Lease related intangible assets	14,460
Total acquired assets	<u>\$ 424,941</u>
Secured debt	\$ 25,455
Below market lease liabilities	14,124

The leases in the acquired properties had a weighted average remaining life at acquisition of approximately 6.4 years.

2019 Acquisitions

We paid cash of \$210.2 million for asset acquisitions during the year ended December 31, 2019.

We acquired six properties during the year ended December 31, 2019. We determined that these six properties did not meet the definition of a business and, accordingly, we accounted for them as asset acquisitions as opposed to business combinations.

The following table summarizes amounts recognized for each major class of assets (in thousands) for these acquisitions during the year ended December 31, 2019:

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Real estate assets	\$	205,390
Lease related intangible assets		11,716
Total acquired assets	\$	217,106

The leases in the acquired properties had a weighted average remaining life at acquisition of approximately 6.5 years.

2018 Acquisitions

We paid cash of \$348.1 million for asset acquisitions during the year December 21, 2018.

We acquired nine properties during the year ended December 31, 2018. We determined that these nine properties did not meet the definition of a business and, accordingly, we accounted for them as asset acquisitions as opposed to business combinations.

The following table summarizes amounts recognized for each major class of asset and liability (in thousands) for these acquisitions during the year ended December 31, 2018:

Real estate assets	\$	328,126
Lease related intangible assets		24,996
Total acquired assets	\$	353,122
Below market lease liability	\$	505

The leases in the acquired properties had a weighted average remaining life at acquisition of approximately 11.3 years.

Fair Value Measurements

We determine the fair value of the individual components of real estate asset acquisitions primarily through calculating the "as-if vacant" value of a building, using an income approach, which relies significantly upon internally determined assumptions. We have determined that these estimates primarily rely on Level 3 inputs, which are unobservable inputs based on our own assumptions. The most significant assumptions used in calculating the "as-if vacant" value for acquisition activity during 2020 and 2019, respectively, are as follows:

	2020		2019	
	Low	High	Low	High
Exit capitalization rate	3.98%	5.46%	4.23%	5.32%
Net rental rate per square foot	\$5.28	\$18.11	\$5.90	\$15.60

Capitalized acquisition costs were insignificant and the fair value of the ten properties acquired during the year ended December 31, 2020 was substantially the same as the cost of acquisition.

Dispositions

Dispositions of buildings (see Note 8 for the number of buildings sold in each year, as well as for their classification between continuing and discontinued operations) and undeveloped land generated net cash proceeds of \$336.3 million, \$432.7 million and \$511.4 million in 2020, 2019 and 2018, respectively.

During 2020, we collected the remaining \$110.0 million of principal on our outstanding notes receivable, which was related to the sale of our medical office portfolio during 2017.

In September 2019, we completed the sale of 18 non-strategic industrial properties for \$217.5 million in proceeds and recorded a gain on sale of \$146.3 million. These properties totaled 4.1 million square feet and were located in primarily Midwest markets.

All other dispositions were not individually material.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Related Party Transactions

We provide property management, asset management, leasing, construction and other tenant-related services to unconsolidated joint ventures in which we have equity interests. We recorded the corresponding fees based on contractual terms that approximate market rates for these types of services and have eliminated our ownership percentage of these fees in the consolidated financial statements. The following table summarizes the fees earned from these joint ventures, prior to elimination, for the years ended December 31, 2020, 2019 and 2018, respectively (in thousands):

	2020	2019	2018
Management fees	\$ 1,560	\$ 1,736	\$ 1,813
Leasing fees	1,354	1,544	2,113
Construction and development fees	2,584	5,056	5,248

Investments in Unconsolidated Joint Ventures

Summarized Financial Information

As of December 31, 2020, we had equity interests in nine unconsolidated joint ventures that primarily own and operate rental properties and hold land for development.

Combined summarized financial information for the unconsolidated joint ventures at December 31, 2020 and 2019, and for the years ended December 31, 2020, 2019 and 2018, are as follows (in thousands):

	2020	2019	2018
Rental revenue	\$ 57,952	\$ 59,905	\$ 60,446
Gains on land and property sales - continuing operations	\$ 2,076	\$ 24,099	\$ 25,879
Net income	\$ 19,183	\$ 40,134	\$ 44,372
Equity in earnings of unconsolidated joint ventures	\$ 11,944	\$ 31,406	\$ 21,444
Land, buildings and tenant improvements, net	\$ 321,803	\$ 305,888	
Construction in progress	23,507	7,747	
Undeveloped land	23,653	29,518	
Other assets	79,842	75,909	
	\$ 448,805	\$ 419,062	
Indebtedness	\$ 155,539	\$ 129,700	
Other liabilities	31,946	24,208	
	187,485	153,908	
Owners' equity	261,320	265,154	
	\$ 448,805	\$ 419,062	
Investments in and advances to unconsolidated joint ventures (1)	\$ 131,898	\$ 133,074	

(1) Differences between the net investment in our unconsolidated joint ventures and our underlying equity in the net assets of the ventures are primarily a result of basis differences associated with the sales of properties to joint ventures in which we retained an ownership interest. These adjustments have resulted in an aggregate difference reducing our investments in unconsolidated joint ventures by \$2.7 million and \$2.5 million as of December 31, 2020 and 2019, respectively. Differences between historical cost basis and the basis reflected at the joint venture level (other than loans and impairments) are typically depreciated over the life of the related asset.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The scheduled principal payments of long term debt for the unconsolidated joint ventures, at our ratable ownership percentage, for each of the next five years and thereafter as of December 31, 2020 are as follows (in thousands):

Year	Future Repayments
2021	\$ 40,654
2022	122
2023	126
2024	131
2025	30,885
Thereafter	5,851
	<u>\$ 77,769</u>

In January 2021 we, and the other partner in one of our unconsolidated joint ventures, repaid the substantial majority (see Note 14) of the future repayments scheduled for 2021.

Real Estate Assets, Discontinued Operations and Assets Held-for-Sale

Real Estate Assets

Real estate assets, excluding assets held-for-sale, consisted of the following (in thousands):

	December 31, 2020	December 31, 2019
Buildings and tenant improvements	\$ 5,812,004	\$ 5,295,336
Land and improvements	2,883,674	2,532,541
Other real estate investments (1)	49,477	165,500
Real estate assets	<u>\$ 8,745,155</u>	<u>\$ 7,993,377</u>

(1) Includes underutilized in-fill sites, which may have had buildings/structures on site when we acquired them, that are either (i) under lease to a third party and, after the lease ends, are expected to be redeveloped or will require significant capital expenditures before re-leasing; or (ii) industrial/logistics properties that we intend to re-lease after significant retrofitting and/or environmental remediation is completed.

Allocation of Noncontrolling Interests - General Partner

The following table illustrates the General Partner's share of the income attributable to common shareholders from continuing operations and discontinued operations, reduced by the allocation of income between continuing and discontinued operations to noncontrolling interests, for the years ended December 31, 2020, 2019 and 2018, respectively (in thousands):

	2020	2019	2018
Income from continuing operations attributable to common shareholders	\$ 299,805	\$ 428,531	\$ 379,865
Income from discontinued operations attributable to common shareholders	110	441	3,864
Net income attributable to common shareholders	<u>\$ 299,915</u>	<u>\$ 428,972</u>	<u>\$ 383,729</u>

Allocation of Noncontrolling Interests - Partnership

Substantially all of the income from discontinued operations for all periods presented in the Partnership's Consolidated Statements of Operations and Comprehensive Income is attributable to the common unitholders.

Assets Held-for-Sale

The following table illustrates the number of sold or held-for-sale properties:

	Held-for-Sale at December 31, 2020	Sold in 2020	Sold in 2019	Sold in 2018	Total
Properties sold or classified as held-for-sale	<u>2</u>	<u>7</u>	<u>28</u>	<u>15</u>	<u>52</u>

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2020, two in-service properties were classified as held-for-sale, but did not meet the criteria to be classified within discontinued operations. The following table illustrates aggregate balance sheet information for properties held-for-sale (in thousands):

	Held-for-Sale Properties Included in Continuing Operations	
	December 31, 2020	December 31, 2019
Land and improvements	\$ 27,954	\$ 4,561
Buildings and tenant improvements	44,800	18,840
Accumulated depreciation	(5,976)	(7,132)
Deferred leasing and other costs, net	936	2,100
Other assets	232	94
Total assets held-for-sale	\$ 67,946	\$ 18,463
Accrued expenses	\$ 660	\$ 643
Other liabilities	7,080	244
Total liabilities held-for-sale	\$ 7,740	\$ 887

Indebtedness

All debt is issued directly or indirectly by the Partnership. The General Partner does not have any indebtedness, but does guarantee some of the unsecured debt of the Partnership.

Indebtedness at December 31, 2020 and 2019 consists of the following (in thousands):

	Maturity Date	Weighted Average Interest Rate	Weighted Average Interest Rate	2020	2019
		2020	2019		
Fixed rate secured debt	2025 to 2035	4.56 %	5.92 %	\$ 62,817	\$ 32,287
Variable rate secured debt	2025	0.08 %	1.39 %	1,600	1,900
Unsecured debt	2022 to 2050	3.35 %	3.71 %	3,058,740	2,900,000
Unsecured line of credit	2023	1.03 %	— %	295,000	—
				\$ 3,418,157	\$ 2,934,187
Less: Deferred financing costs				33,106	19,422
Total indebtedness as reported on consolidated balance sheets				\$ 3,385,051	\$ 2,914,765

Secured Debt

At December 31, 2020, our secured debt was collateralized by rental properties with a carrying value of \$160.3 million and by a letter of credit in the amount of \$1.6 million.

The fair value of our fixed rate secured debt at December 31, 2020 was \$65.8 million. Because our fixed rate secured debt is not actively traded in any marketplace, we utilized a discounted cash flow methodology to determine its fair value. Accordingly, we calculated fair value by applying an estimate of the current market rate to discount the debt's remaining contractual cash flows. Our estimate of a current market rate, which is the most significant input in the discounted cash flow calculation, is intended to replicate debt of similar maturity and loan-to-value relationship. The estimated market rates for all of our current fixed rate secured debt are between 1.90% and 2.70%, depending on the attributes of the specific loans. The current market rates we utilized were internally estimated; therefore, we have concluded that our determination of fair value for our fixed rate secured debt was primarily based upon Level 3 inputs.

In February 2020, a consolidated joint venture obtained an \$18.4 million secured loan from a third party financial institution, with a fixed annual interest rate of 3.41% and a maturity date of March 1, 2035.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In September 2020, we assumed two secured loans in conjunction with a two-building asset acquisition. These assumed loans had a total face value of \$21.5 million and fair value of \$25.5 million. These assumed loans had a weighted average remaining term at acquisition of 11.8 years and carried a weighted average stated interest rate of 4.54%. The difference between the fair value and the face value of loans assumed in connection with the acquisition is recorded as a premium and amortized to interest expense over the life of the loans assumed. We used an estimated market interest rate of 2.50% in determining the fair values of these loans.

During 2020, we repaid one fixed rate secured loan, totaling \$9.0 million, which had a stated interest rate of 5.61%.

During 2019, we repaid three loans, totaling \$41.7 million, which had a weighted average stated rate of 7.76%.

Unsecured Debt

At December 31, 2020, all of our unsecured debt bore interest at fixed rates and primarily consisted of unsecured notes that are publicly traded. We utilized broker estimates in estimating the fair value of our fixed rate unsecured debt. Our unsecured notes are thinly traded and, in certain cases, the broker estimates were not based upon comparable transactions. The broker estimates took into account any recent trades within the same series of our fixed rate unsecured debt, comparisons to recent trades of other series of our fixed rate unsecured debt, trades of fixed rate unsecured debt from companies with profiles similar to ours, as well as overall economic conditions. We reviewed these broker estimates for reasonableness and accuracy, considering whether the estimates were based upon market participant assumptions within the principal and most advantageous market and whether any other observable inputs would be more accurate indicators of fair value than the broker estimates. We concluded that the broker estimates were representative of fair value. We have determined that our estimation of the fair value of our fixed rate unsecured debt was primarily based upon Level 3 inputs. The estimated trading values of our fixed rate unsecured debt, depending on the maturity and coupon rates, ranged from 101.00% to 138.00% of face value.

The indentures (and related supplemental indentures) governing our outstanding series of notes also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such financial covenants at December 31, 2020.

We took the following actions during 2020 and 2019 as they pertain to our unsecured indebtedness:

- In June 2020, we issued \$350.0 million of senior unsecured notes, which bear interest at a stated interest rate of 1.75%, have an effective interest rate of 1.85% and mature on July 1, 2030. Proceeds from the unsecured notes offering were primarily used to repurchase and cancel \$216.3 million of 3.88% senior unsecured notes due 2022 pursuant to a tender offer completed by the Partnership in June 2020. In connection with the early cancellation of these notes, we recognized a loss of \$15.1 million consisting of a repayment premium and the write-off of unamortized deferred financing costs.
- In February 2020, we issued \$325.0 million of senior unsecured notes that bear interest at a stated interest rate of 3.05%, have an effective interest rate of 3.19%, and mature on March 1, 2050. Proceeds from the unsecured notes offering were primarily used to repay the \$300.0 million of senior unsecured notes bearing a stated interest rate of 4.38% due 2022. In connection with the early redemption of these notes, we recognized a loss of \$17.8 million consisting of a prepayment premium and the write-off of unamortized deferred financing costs.
- In November 2019, we issued \$400.0 million of senior unsecured notes that bear interest at a stated interest rate of 2.88%, have an effective interest rate of 3.96% when including the impact of interest rate swap amortization from accumulated other comprehensive loss, and mature on November 15, 2029.
- In October 2019, we redeemed \$250.0 million of senior unsecured notes that had a scheduled maturity date of February 15, 2021 and bore a stated interest rate of 3.88% and an effective rate of 3.91%. We recognized a loss on debt extinguishment of \$6.3 million, which included a prepayment premium and the write-off of unamortized deferred financing costs.
- In August 2019, we issued \$175.0 million of senior unsecured notes that bear interest at a stated interest rate of 3.38%, have an effective interest rate of 2.80%, and mature on December 15, 2027. Proceeds from the unsecured notes offering were primarily used to repay the borrowings under the unsecured line of credit.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unsecured Line of Credit

Our unsecured line of credit at December 31, 2020 is described as follows (in thousands):

Description	Borrowing Capacity	Maturity Date	Outstanding Balance at December 31, 2020
Unsecured Line of Credit – Partnership	\$ 1,200,000	January 30, 2022	\$ 295,000

The Partnership's unsecured line of credit has an interest rate on borrowings of LIBOR plus 0.875% (equal to 1.03% for our outstanding borrowings at December 31, 2020) and a maturity date of January 30, 2022, with options to extend until January 30, 2023. Subject to certain conditions, the terms also include an option to increase the facility by up to an additional \$800.0 million, for a total of up to \$2.00 billion. This line of credit provides us with an option to obtain borrowings from financial institutions that participate in the line at rates that may be lower than the stated interest rate, subject to certain restrictions.

This line of credit contains financial covenants that require us to meet certain financial ratios and defined levels of performance, including those related to fixed charge coverage, unsecured interest expense coverage and debt-to-asset value (with asset value being defined in the Partnership's unsecured line of credit agreement). At December 31, 2020, we were in compliance with all financial covenants under this line of credit.

We utilized a discounted cash flow methodology in order to estimate the fair value of outstanding borrowings on our unsecured line of credit. To the extent that credit spreads have changed since the origination of the line of credit, the net present value of the difference between future contractual interest payments and future interest payments based on our estimate of a current market rate would represent the difference between the book value and the fair value. This estimate of a current market rate is based upon the rate, considering current market conditions and our specific credit profile, at which we estimate we could obtain similar borrowings. As our credit spreads have not changed appreciably, we believe that the contractual interest rate and the current market rate on any outstanding borrowings on the line of credit are the same. The current market rate is internally estimated and therefore is primarily based upon a Level 3 input.

Changes in Fair Value

As all of our fair value debt disclosures relied primarily on Level 3 inputs, the following table summarizes the book value and changes in the fair value of our debt for the year ended December 31, 2020 (in thousands):

	Book Value at 12/31/2019	Book Value at 12/31/2020	Fair Value at 12/31/2019	Issuances and Assumptions	Payments/Payoffs	Adjustments to Fair Value	Fair Value at 12/31/2020
Fixed rate secured debt	\$ 32,287	\$ 62,817	\$ 34,547	\$ 43,855	\$ (13,156)	\$ 602	\$ 65,848
Variable rate secured debt	1,900	1,600	1,900	—	(300)	—	1,600
Unsecured debt	2,900,000	3,058,740	3,045,485	675,000	(516,260)	183,688	3,387,913
Unsecured line of credit	—	295,000	—	295,000	—	—	295,000
Total	\$ 2,934,187	\$ 3,418,157	\$ 3,081,932	\$ 1,013,855	\$ (529,716)	\$ 184,290	\$ 3,750,361
Less: Deferred financing costs	19,422	33,106					
Total indebtedness as reported on the consolidated balance sheets	\$ 2,914,765	\$ 3,385,051					

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Scheduled Maturities and Interest Paid

At December 31, 2020, the scheduled amortization and maturities of all indebtedness, excluding fair value adjustment, for the next five years and thereafter were as follows (in thousands):

Year	Amount
2021	\$ 4,413
2022	88,386
2023	549,893
2024	305,155
2025	5,102
Thereafter	2,461,396
	<u>\$ 3,414,345</u>

The Partnership's unsecured line of credit is reflected in the table above as maturing in January 2023, based on the ability to exercise the two six-month extension options from its stated maturity date of January 2022. The amount of interest paid in 2020, 2019 and 2018 was \$104.6 million, \$111.8 million and \$108.2 million, respectively. The amount of interest capitalized in 2020, 2019 and 2018 was \$24.3 million, \$26.5 million and \$27.2 million, respectively.

Segment Reporting

Reportable Segments

As of December 31, 2020, we had two reportable operating segments, the first consisting of the ownership and rental of industrial real estate investments. We continue to increase our investments in quality industrial properties largely based on anticipated geographic trends in supply and demand for industrial buildings, as well as the real estate needs of our major tenants that operate on a national level. We treat our industrial properties as a single operating and reportable segment based on our method of internal reporting. Properties not included in our reportable segment, because they are not industrial properties and do not by themselves meet the quantitative thresholds for separate presentation as a reportable segment, are generally referred to as non-reportable Rental Operations. Our non-reportable Rental Operations primarily include our remaining office properties and medical office property at December 31, 2020. The operations of our industrial properties, as well as our non-reportable Rental Operations, are collectively referred to as "Rental Operations."

Our second reportable segment consists of various real estate services such as development, general contracting, construction management, property management, asset management, maintenance and leasing to third-party property customers, owners and joint ventures, and is collectively referred to as "Service Operations." The Service Operations segment is identified as one single operating segment because the lowest level of financial results reviewed by our chief operating decision maker are the results for the Service Operations segment in total. Further, our reportable segments are managed separately because each segment requires different operating strategies and management expertise.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Revenues by Reportable Segment

The following table shows the revenues for each of the reportable segments, as well as a reconciliation to consolidated revenues, for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	2020	2019	2018
<u>Revenues</u>			
Rental Operations:			
Industrial	\$ 921,612	\$ 848,806	\$ 775,713
Non-reportable Rental Operations	5,995	5,794	7,862
Service Operations	64,004	117,926	162,551
Total segment revenues	991,611	972,526	946,126
Other revenue	1,587	1,233	1,744
Consolidated revenue from continuing operations	993,198	973,759	947,870
Discontinued operations	—	—	117
Consolidated revenue	\$ 993,198	\$ 973,759	\$ 947,987

Major Customer

The table below shows the revenues from a major customer from each of our reportable segments (in thousands):

	Twelve Months Ended December 31,		
	2020	2019	2018
<u>Revenues</u>			
Rental Operations - Industrial	\$ 92,986	\$ 63,805	\$ 56,649
Service Operations	32,771	45,177	44,532

We generated more than 10% of our total revenues from this customer for the year ended December 31, 2020. Revenues from Rental Operations relate to leasing properties to this customer. Revenues from Service Operations for this customer pertained primarily to general contractor services, and the construction costs paid to subcontractors and the associated revenues from billing this customer for those costs are recorded on a gross basis.

Supplemental Performance Measure

PNOI is the non-GAAP supplemental performance measure that we use to evaluate the performance of, and to allocate resources among, the real estate investments in the reportable and operating segments that comprise our Rental Operations. PNOI for our Rental Operations segments is comprised of rental revenues from continuing operations less rental expenses and real estate taxes from continuing operations, along with certain other adjusting items (collectively referred to as "Rental Operations revenues and expenses excluded from PNOI," as shown in the following table). Additionally, we do not allocate interest expense, depreciation expense and certain other non-property specific revenues and expenses (collectively referred to as "Non-Segment Items," as shown in the following table) to our individual operating segments.

DUKE REALTY CORPORATION AND DUKE REALTY LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We evaluate the performance of our Service Operations reportable segment using net income or loss, as allocated to that segment ("Earnings from Service Operations"). The following table shows a reconciliation of our segment-level measures of profitability to consolidated income from continuing operations before income taxes, for the years ended December 31, 2020, 2019 and 2018 (in thousands and excluding discontinued operations):

	2020	2019	2018
PNOI			
Industrial	\$ 653,028	\$ 588,386	\$ 515,483
Non-reportable Rental Operations	5,020	3,811	5,264
PNOI, excluding all sold properties	658,048	592,197	520,747
PNOI from sold properties included in continuing operations	7,763	25,924	43,609
PNOI, continuing operations	665,811	618,121	564,356
Earnings from Service Operations	6,028	6,360	8,642
Rental Operations revenues and expenses excluded from PNOI:			
Straight-line rental income and expense, net	25,865	21,197	24,604
Revenues related to lease buyouts	2,863	1,611	23
Amortization of lease concessions and above and below market rents	8,984	7,802	2,332
Intercompany rents and other adjusting items	(1,473)	1,012	1,271
Non-Segment Items:			
Equity in earnings of unconsolidated joint ventures	11,944	31,406	21,444
Interest expense	(93,442)	(89,756)	(85,006)
Depreciation and amortization expense	(353,013)	(327,223)	(312,217)
Gain on sale of properties	127,700	234,653	204,988
Impairment charges	(5,626)	—	—
Interest and other income, net	1,721	9,941	17,234
General and administrative expenses	(62,404)	(60,889)	(56,218)
Gain on land sales	10,458	7,445	10,334
Other operating expenses	(8,209)	(5,318)	(5,231)
Loss on extinguishment of debt	(32,900)	(6,320)	(388)
Gain on involuntary conversion	4,312	2,259	—
Non-incremental costs related to successful leases	(12,292)	(12,402)	—
Other non-segment revenues and expenses, net	1,210	986	(3,972)
Income from continuing operations before income taxes	\$ 297,537	\$ 440,885	\$ 392,196

The most comparable GAAP measure to PNOI is income from continuing operations before income taxes. PNOI excludes expenses that materially impact our overall results of operations and, therefore, should not be considered as a substitute for income from continuing operations before income taxes or any other measures derived in accordance with GAAP. Furthermore, PNOI may not be comparable to other similarly titled measures of other companies.

Assets by Reportable Segment

The assets for each of the reportable segments at December 31, 2020 and 2019 were as follows (in thousands):

	December 31, 2020	December 31, 2019
<u>Assets</u>		
Rental Operations:		
Industrial	\$ 8,709,960	\$ 7,843,302
Non-reportable Rental Operations	35,292	39,700
Service Operations	160,194	150,882
Total segment assets	8,905,446	8,033,884
Non-segment assets	205,948	386,678
Consolidated assets	\$ 9,111,394	\$ 8,420,562

In addition to revenues and PNOI, we also review our second generation capital expenditures in measuring the performance of our individual Rental Operations segments. We review these expenditures to determine the costs associated with re-leasing vacant space and maintaining the condition of our properties. Our second generation capital expenditures are included within "second generation tenant improvements, leasing costs and building improvements" in our consolidated statements of Cash Flows and are primarily attributable to the industrial segment for the years ended December 31, 2020, 2019 and 2018.

Employee Benefit Plans

We maintain a 401(k) plan for our eligible employees. We make matching contributions of 50% of the employee salary deferral contributions up to 6% of eligible compensation and may also make annual discretionary contributions. A discretionary contribution was declared at the end of 2020, 2019 and 2018. The total expense recognized for this plan was \$2.2 million, \$2.1 million and \$1.8 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Shareholders' Equity of the General Partner and Partners' Capital of the Partnership

General Partner

The General Partner has an ATM equity program that allows it to issue and sell its common shares through sales agents from time to time. Actual sales under the ATM equity program depend on a variety of factors to be determined by the General Partner, including, among others, market conditions, the trading price of the General Partner's common stock, determinations by the General Partner of the appropriate sources of funding and potential uses of funding available.

In August 2019, the General Partner terminated its previous equity distribution agreement for the ATM equity program and entered into a new equity distribution agreement to sell shares of its common stock, \$0.01 par value per share, from time to time, up to an aggregate offering price of \$400.0 million.

During 2020, the General Partner issued 4.6 million common shares pursuant to its ATM equity program, generating gross proceeds of \$177.1 million and, after deducting commissions and other costs, net proceeds of \$175.0 million. The proceeds from these offerings were contributed to the Partnership and used to fund development activities.

During 2019, the General Partner issued 8.0 million common shares pursuant to its ATM equity programs, generating gross proceeds of \$266.3 million and, after deducting commissions and other costs, net proceeds of \$263.3 million. The proceeds from these offerings were contributed to the Partnership and used to fund development activities.

During 2018, the General Partner issued 990,400 common shares pursuant to its ATM equity program, generating gross proceeds of approximately \$29.0 million and, after deducting commissions and other costs, net proceeds of approximately \$28.4 million. The proceeds from these offerings were contributed to the Partnership and used to fund development activities.

Partnership

For each common share or preferred share that the General Partner issues, the Partnership issues a corresponding General Partner Unit or Preferred Unit, as applicable, to the General Partner in exchange for the contribution of the proceeds from the stock issuance. Similarly, when the General Partner redeems or repurchases common shares or preferred shares, the Partnership redeems the corresponding General Partner Units or Preferred Units held by the General Partner at the same price.

Stock Based Compensation

We are authorized to issue up to 10.3 million shares of the General Partner's common stock under our stock-based employee and non-employee compensation plans. Executive officers may elect to receive Long-Term Incentive Plan Units ("LTIP Units"), which represent an interest in the Partnership, in lieu of stock based compensation awards denominated in the General Partner's common stock.

Restricted Stock Units ("RSUs")

Under our 2015 Long-Term Incentive Plan, which was approved by the General Partner's shareholders in April 2015, and our 2015 Non-Employee Directors Compensation Plan (collectively, the "Compensation Plans"), RSUs may be granted to non-employee directors, executive officers and selected employees. An RSU is economically equivalent to a share of the General Partner's common stock, and RSUs are valued based on the market price of the General Partner's common stock on the date of the award. Amounts disclosed below include both RSUs and any elected LTIP Units, which have the same vesting schedule as RSUs.

RSUs granted to employees from 2015 to 2020 vest ratably in most cases over a three-year period and are payable in shares of our common stock with a new share of such common stock issued upon each RSU's vesting. RSUs granted to existing non-employee directors vest 100% over one year and have contractual lives of one year.

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

The following table summarizes transactions for our unvested RSUs, excluding dividend equivalents, for 2020:

Restricted Stock Units	Number of RSUs	Weighted Average Grant-Date Fair Value
December 31, 2019	748,180	\$27.73
Granted in 2020	354,393	\$37.28
Vested in 2020	(411,593)	\$27.15
Forfeited in 2020	(12,177)	\$32.35
December 31, 2020	678,803	\$32.98

Compensation cost recognized for RSUs totaled \$12.1 million, \$11.0 million and \$11.9 million for the years ended December 31, 2020, 2019 and 2018, respectively.

As of December 31, 2020, there was \$6.5 million of total unrecognized compensation expense related to nonvested RSUs granted under the Plan, which is expected to be recognized over a weighted average period of 1.7 years.

The total intrinsic value (which is equal to the value of a share of the General Partner's common stock on the date of vesting) of RSUs vested during the years ended December 31, 2020, 2019 and 2018 was \$15.4 million, \$17.7 million and \$18.3 million, respectively.

The weighted average grant-date fair value of RSUs granted during 2019 and 2018 was \$29.98 and \$25.38, respectively.

The weighted average grant-date fair value of nonvested RSUs as of December 31, 2018 was \$23.36.

Performance-Based Awards

A portion of the annual stock-based compensation awards granted to our executive officers annually include performance conditions, measured over a three-year performance period, based on pre-established goals for growth in a defined adjusted funds from operations (“AFFO”) metric. These performance-based awards disclosed below include awards denominated in both common shares of the General Partner or LTIP Units. The total number of instruments issued at the end of each performance period may be earned in a range from 0% to 200% of the target value of the award depending on our AFFO performance relative to the pre-established goals.

To the extent that a recipient of these performance-based awards is not determined to be retirement eligible, as defined by the Compensation Plans, we recognize expense on a straight-line basis over the performance period based on the most likely payout percentage at each reporting period for each grant to the extent that a payout is determined to be probable. Expense is recognized immediately at the date of grant, based on the most likely payout percentage to the extent that a payout is determined to be probable, when a recipient is retirement eligible, and expense is accelerated to the extent that a participant will become retirement eligible prior to the end of the performance period of an award.

Details on the unvested amounts of these annual grants by performance period are as follows:

Performance-Based Awards	Unvested Awards Outstanding	Unvested Weighted Average Grant Date Fair Value
Unvested awards at December 31, 2019	227,697	\$27.50
Above target performance adjustment	122,281	\$25.37
Vested in 2020	(244,562)	\$25.37
Granted in 2020	102,296	\$37.29
Unvested awards at December 31, 2020	<u>207,712</u>	<u>\$33.58</u>

To the extent that performance-based awards are denominated in LTIP units, the above target component of such awards that vest are subject to an additional two year holding period. A summary of vested awards still subject to the two year holding period is as follows:

	Vested LTIP Awards Outstanding
Vested Awards at December 31, 2019	243,171
Vested in 2020	185,232
Completed holding period in 2020	<u>(105,834)</u>
Vested Awards at December 31, 2020	<u>322,569</u>

Compensation cost recognized for these performance-based awards totaled \$7.8 million, \$6.2 million and \$5.7 million for the years ended December 31, 2020, 2019 and 2018, respectively.

As of December 31, 2020, there was \$913,000 of total unrecognized compensation expense related to nonvested performance-based awards, which is expected to be recognized over a weighted average period of 1.5 years.

The weighted average grant-date fair value, per instrument, for these performance-based awards granted during 2019 and 2018 was \$29.98 and \$25.37.

The weighted average grant-date fair value of these nonvested performance-based awards as of December 31, 2018 was \$25.32.

Commitments and Contingencies

The Partnership has guaranteed the repayment of \$20.1 million of economic development bonds issued by various municipalities in connection with certain commercial developments. We may be required to make payments under our guarantees to the extent that incremental taxes from specified developments are not sufficient to pay the bond debt service. Management does not believe that it is probable that we will be required to make any significant payments in satisfaction of these guarantees.

The Partnership also has guaranteed the repayment of loans associated with two of our unconsolidated joint ventures. At December 31, 2020, the maximum guarantee exposure for these loans was approximately \$81.3 million. In January 2021, we, and the other partner in one of these unconsolidated joint ventures, repaid one of these guaranteed loans, totaling \$69.8 million, which was scheduled to mature in November 2021.

We lease certain land positions with lease terms extending to April 1, 2082, and a total future payment obligation of \$225.2 million at December 31, 2020. No payments on these ground leases are material in any individual year.

In addition to ground leases, we are party to other operating leases as part of conducting our business, including leases of office space from third parties, with a total future payment obligation of \$27.9 million at December 31, 2020. No future payments on these leases are material in any individual year.

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

We own certain parcels of land that are subject to special property tax assessments levied by quasi municipal entities. To the extent that such special assessments are fixed and determinable, the discounted value of the full assessment is recorded as a liability. We have \$961,000 of such special assessment liabilities, which are included within other liabilities on our Consolidated Balance Sheets as of December 31, 2020.

Subsequent Events

Declaration of Dividends/Distributions

The General Partner's board of directors declared the following dividends/distributions at its regularly scheduled board meeting held on January 27, 2021:

Class of stock/units	Quarterly Amount per Share or Unit	Record Date	Payment Date
Common	\$ 0.255	February 16, 2021	February 26, 2021

Issuance of Senior Unsecured Notes

In January 2021, we issued \$450.0 million of senior unsecured notes that bear a stated interest rate of 1.75%, have an effective interest rate of 1.83%, and mature on February 1, 2031. Proceeds from the unsecured notes offering were initially applied to pay down outstanding borrowings on the line of credit as of December 31, 2020, and we intend to allocate an amount equal to the net proceeds from the offering to the financing or refinancing of eligible green projects.

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020						
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired	
Atlanta, Georgia												
Airport Distribution 3781	Industrial	—	4,064	11,383	320	4,064	11,703	15,767	3,211	2002	2014	
Aurora, Illinois												
Meridian Business 880	Industrial	—	963	4,625	1,420	963	6,045	7,008	3,170	2000	2000	
4220 Meridian Parkway	Industrial	—	970	3,512	102	970	3,614	4,584	1,440	2004	2004	
Butterfield 2805	Industrial	—	9,185	10,795	5,857	9,272	16,565	25,837	10,641	2008	2008	
Meridian Business 940	Industrial	—	2,674	6,923	2,458	2,674	9,381	12,055	3,003	1998	2012	
Butterfield 4000	Industrial	—	3,132	12,639	70	3,132	12,709	15,841	3,186	2016	2016	
Butterfield 2850	Industrial	—	11,317	18,305	130	11,317	18,435	29,752	5,402	2016	2016	
Butterfield 4200	Industrial	—	5,777	13,108	2,762	5,967	15,680	21,647	4,985	2016	2016	
Butterfield 2865	Industrial	—	28,151	41,112	14	28,151	41,126	69,277	10,377	2017	2017	
Austell, Georgia												
Hartman Business 7545	Industrial	—	2,640	21,471	43	2,640	21,514	24,154	7,835	2008	2012	
240 The Bluffs	Industrial	—	6,138	15,447	3,086	6,138	18,533	24,671	1,505	2018	2018	
Avenel, New Jersey												
Paddock 1	Industrial	—	20,861	15,408	—	20,861	15,408	36,269	415	2020	2020	
Baltimore, Maryland												
Chesapeake Commerce 5901	Industrial	—	3,345	1,355	3,855	3,365	5,190	8,555	3,507	2008	2008	
Chesapeake Commerce 5003	Industrial	—	6,488	7,087	5,656	6,546	12,685	19,231	6,101	2008	2008	
Chesapeake Commerce 2010	Industrial	—	37,557	38,011	109	37,971	37,706	75,677	20,215	2014	2014	
Chesapeake Commerce 5501	Industrial	—	13,724	8,043	5,511	13,782	13,496	27,278	6,017	2014	2014	
Chesapeake Commerce 1500	Industrial	—	8,289	10,268	105	8,333	10,329	18,662	3,675	2016	2016	
Chesapeake Commerce 5900	Industrial	—	5,567	6,100	876	5,567	6,976	12,543	1,824	2017	2017	
Chesapeake Commerce 6000	Industrial	—	2,418	10,369	—	2,418	10,369	12,787	409	2020	2020	
Batavia, Ohio												
S Afton Industrial Park 3001	Industrial	—	5,729	20,717	—	5,729	20,717	26,446	1,800	2019	2019	
Baytown, Texas												
4570 E. Greenwood	Industrial	—	9,323	5,934	—	9,323	5,934	15,257	5,348	2005	2007	
Bloomington, Georgia												
Morgan Business Center 400	Industrial	—	18,385	44,455	520	18,385	44,975	63,360	6,797	2017	2017	
Bolingbrook, Illinois												
250 East Old Chicago Road	Industrial	—	1,229	4,038	142	1,229	4,180	5,409	1,617	2005	2005	
Crossroads 2	Industrial	—	1,134	5,434	502	1,134	5,936	7,070	2,113	1998	2010	
Crossroads 375	Industrial	—	1,064	4,371	535	1,064	4,906	5,970	1,802	2000	2010	

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					
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Crossroads Parkway 370	Industrial	—	2,409	4,236	881	2,409	5,117	7,526	2,138	1989	2011
Crossroads Parkway 605	Industrial	—	3,656	7,587	2,747	3,656	10,334	13,990	3,393	1998	2011
Crossroads Parkway 335	Industrial	—	2,574	8,342	779	2,574	9,121	11,695	3,098	1997	2012
Boynton Beach, Florida											
Gateway Center 1103	Industrial	—	4,271	5,313	1,988	4,271	7,301	11,572	3,370	2002	2010
Gateway Center 3602	Industrial	—	2,006	4,584	208	2,006	4,792	6,798	1,876	2002	2010
Gateway Center 3402	Industrial	—	2,381	3,218	462	2,381	3,680	6,061	1,612	2002	2010
Gateway Center 2055	Industrial	—	1,800	2,583	193	1,800	2,776	4,576	1,196	2000	2010
Gateway Center 2045	Industrial	—	1,238	1,541	797	1,238	2,338	3,576	964	2000	2010
Gateway Center 2035	Industrial	—	1,238	1,304	699	1,238	2,003	3,241	863	2000	2010
Gateway Center 2025	Industrial	—	1,800	2,658	218	1,800	2,876	4,676	1,256	2000	2010
Gateway Center 1926	Industrial	—	4,781	9,900	1,482	4,781	11,382	16,163	4,844	2004	2010
Braselton, Georgia											
Braselton Business 920	Industrial	—	1,365	7,713	4,921	1,529	12,470	13,999	6,435	2001	2001
625 Braselton Pkwy	Industrial	—	4,355	21,010	5,752	5,417	25,700	31,117	10,540	2006	2005
1350 Braselton Parkway	Industrial	—	8,227	8,856	4,110	8,227	12,966	21,193	10,130	2008	2008
Brentwood, Tennessee											
Brentwood South Business 7104	Industrial	—	1,065	4,410	1,924	1,065	6,334	7,399	3,317	1987	1999
Brentwood South Business 7106	Industrial	—	1,065	1,844	1,974	1,065	3,818	4,883	2,078	1987	1999
Brentwood South Business 7108	Industrial	—	848	3,233	1,274	848	4,507	5,355	2,504	1989	1999
Bridgeton, Missouri											
DukePort 13870	Industrial	—	1,912	4,562	643	1,912	5,205	7,117	1,710	1996	2010
DukePort 13890	Industrial	—	1,323	2,223	237	1,323	2,460	3,783	843	1997	2010
DukePort 4730	Industrial	—	540	2,690	481	540	3,171	3,711	1,081	1998	2010
DukePort 13269	Industrial	—	1,498	5,752	417	1,498	6,169	7,667	2,900	1999	2010
DukePort 4745	Industrial	—	751	3,622	419	751	4,041	4,792	1,439	1999	2010
DukePort 13201	Industrial	—	2,227	5,459	2,139	2,228	7,597	9,825	3,242	2001	2010
Brooklyn Park, Minnesota											
7300 Northland Drive	Industrial	—	700	5,289	640	703	5,926	6,629	3,223	1999	1998
Crosstown North 9201	Industrial	—	835	4,433	1,536	1,121	5,683	6,804	3,162	1998	1999
Crosstown North 8400	Industrial	—	2,079	4,926	2,308	2,233	7,080	9,313	3,754	1999	1999
Crosstown North 9100	Industrial	—	1,079	3,743	1,009	1,166	4,665	5,831	2,442	2000	2000
Crosstown North 9200	Industrial	—	1,222	2,674	2,690	1,256	5,330	6,586	2,014	2005	2005
Crosstown North 7601	Industrial	—	2,998	7,472	885	2,998	8,357	11,355	3,127	2005	2005
Buena Park, California											
6280 Artesia Boulevard	Industrial	—	28,582	5,010	769	28,582	5,779	34,361	921	2005	2017

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

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Name	Asset Type	Encumbrances	Land		Buildings	Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Carol Stream, Illinois											
Carol Stream 815	Industrial	—	3,037	11,210	1,739	3,037	12,949	15,986	5,602	2004	2003
Carol Stream 640	Industrial	—	876	3,200	495	876	3,695	4,571	1,365	1999	2010
Carol Stream 370	Industrial	—	1,319	5,960	828	1,332	6,775	8,107	2,492	2002	2010
250 Kehoe Boulevard	Industrial	—	1,715	7,552	336	1,715	7,888	9,603	2,754	2008	2011
Carol Stream 720	Industrial	—	4,031	17,759	1,019	4,751	18,058	22,809	6,532	1999	2011
Carson, California											
20915 S Wilmington Ave	Industrial	—	24,350	7,934	—	24,350	7,934	32,284	—	1996	2020
Carteret, New Jersey											
900 Federal Blvd.	Industrial	—	2,088	24,712	15	2,088	24,727	26,815	3,443	2017	2017
Chino, California											
13799 Monte Vista	Industrial	—	14,046	8,236	2,230	14,046	10,466	24,512	6,165	2013	2013
Cincinnati, Ohio											
311 Elm Street - Leasehold Improvements	Other	—	—	68	628	—	696	696	334	1986	1993
Kenwood Commons 8230	Office	549	638	43	1,380	638	1,423	2,061	663	1986	1993
Kenwood Commons 8280	Office	1,051	638	283	1,791	638	2,074	2,712	1,024	1986	1993
World Park 5389	Industrial	—	963	5,550	1,457	963	7,007	7,970	2,286	1994	2010
World Park 5232	Industrial	—	1,078	5,074	717	1,077	5,792	6,869	1,834	1997	2010
World Park 5399	Industrial	—	739	5,251	832	740	6,082	6,822	2,331	1998	2010
World Park 5265	Industrial	—	2,118	11,597	4,333	2,118	15,930	18,048	5,269	2015	2010
City of Industry, California											
825 Ajax Ave	Industrial	—	38,930	27,627	8,133	38,930	35,760	74,690	4,902	2017	2017
14508 Nelson Ave	Industrial	—	26,162	25,210	—	26,162	25,210	51,372	—	2010	2020
College Park, Georgia											
2929 Roosevelt Highway	Industrial	—	9,419	17,205	—	9,419	17,205	26,624	624	2020	2020
College Station, Texas											
Baylor College Station MOB	Medical Office	—	5,551	33,770	5,149	5,551	38,919	44,470	15,535	2013	2013
Columbus, Ohio											
RGLP Intermodal North 9224	Industrial	—	1,550	19,873	888	1,550	20,761	22,311	3,268	2016	2016
RGLP Intermodal S 9799	Industrial	—	13,065	44,159	239	13,065	44,398	57,463	4,577	2018	2018

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

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			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
Coppell, Texas											
Freeport X	Industrial	—	2,145	12,784	3,624	2,145	16,408	18,553	6,902	2004	2004
Point West 400	Industrial	—	10,181	12,803	9,076	10,475	21,585	32,060	12,914	2008	2008
Point West 240	Industrial	—	6,785	11,700	6,133	7,519	17,099	24,618	9,999	2008	2008
Point West 120	Industrial	—	3,267	8,695	1,024	3,267	9,719	12,986	4,260	2015	2015
Corona, California											
1283 Sherborn Street	Industrial	—	8,677	13,575	66	8,677	13,641	22,318	5,555	2005	2011
Cranbury, New Jersey											
311 Half Acre Road	Industrial	—	6,600	14,106	112	6,600	14,218	20,818	4,315	2004	2013
315 Half Acre Road	Industrial	—	14,100	29,188	645	14,100	29,833	43,933	8,969	2004	2013
Davenport, Florida											
Park 27 Distribution 210	Industrial	—	1,143	5,052	600	1,198	5,597	6,795	2,512	2003	2003
Park 27 Distribution 220	Industrial	—	4,374	5,066	5,850	4,502	10,788	15,290	6,102	2007	2007
Davie, Florida											
Westport Business Park 2555	Industrial	—	1,200	1,276	69	1,200	1,345	2,545	805	1991	2011
Westport Business Park 2501	Industrial	—	1,088	779	238	1,088	1,017	2,105	647	1991	2011
Westport Business Park 2525	Industrial	—	2,363	5,791	1,277	2,363	7,068	9,431	2,737	1991	2011
Deer Park, Texas											
801 Seaco Court	Industrial	—	2,331	4,673	627	2,331	5,300	7,631	1,972	2006	2012
Des Moines, Washington											
21202 24th Ave South	Industrial	—	18,720	36,496	43	18,720	36,539	55,259	3,341	2018	2018
21402 24th Ave South	Industrial	—	18,970	31,048	1,176	18,970	32,224	51,194	2,769	2018	2018
Duluth, Georgia											
Sugarloaf 2775	Industrial	—	560	4,298	1,156	560	5,454	6,014	2,809	1997	1999
Sugarloaf 3079	Industrial	—	776	4,536	3,690	776	8,226	9,002	4,200	1998	1999
Sugarloaf 2855	Industrial	—	765	2,618	1,562	765	4,180	4,945	2,231	1999	1999
Sugarloaf 6655	Industrial	—	1,651	6,804	859	1,651	7,663	9,314	3,390	1998	2001
2625 Pinemeadow Court	Industrial	—	732	3,107	676	732	3,783	4,515	1,230	1994	2010
2660 Pinemeadow Court	Industrial	—	459	2,228	99	459	2,327	2,786	1,188	1996	2010
2450 Satellite Boulevard	Industrial	—	473	1,741	446	473	2,187	2,660	827	1994	2010
DuPont, Washington											
2700 Center Drive	Industrial	—	34,413	37,943	520	34,582	38,294	72,876	15,590	2013	2013
2800 Center Drive	Industrial	—	21,025	48,060	—	21,025	48,060	69,085	—	2020	2020
2900 Center Drive	Industrial	—	34,692	71,066	—	34,692	71,066	105,758	—	2020	2020
2980 Center Drive	Industrial	—	15,956	17,527	—	15,956	17,527	33,483	—	1996	2020
Center Drive trailer lot	Grounds	—	3,252	—	—	3,252	—	3,252	—	n/a	2020

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

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Durham, North Carolina												
Centerpoint Raleigh 1805	Industrial	—	4,110	10,343	5,151	4,110	15,494	19,604	6,374	2000	2011	
Centerpoint Raleigh 1757	Industrial	—	2,998	8,722	14	2,998	8,736	11,734	3,059	2007	2011	
Eagan, Minnesota												
Apollo 920	Industrial	—	866	3,234	2,022	895	5,227	6,122	3,025	1997	1997	
Apollo 940	Industrial	—	474	2,092	794	474	2,886	3,360	1,511	2000	2000	
Apollo 950	Industrial	—	1,432	5,988	127	1,432	6,115	7,547	3,171	2000	2000	
2015 Silver Bell Road	Industrial	—	1,740	4,180	2,908	1,740	7,088	8,828	3,861	1999	1999	
Trapp 1279	Industrial	—	671	3,441	994	691	4,415	5,106	2,347	1996	1998	
Trapp 1245	Industrial	—	1,250	5,424	1,657	1,250	7,081	8,331	3,957	1998	1998	
Earth City, Missouri												
Corporate Trail 3655	Industrial	—	2,850	4,597	2,278	2,875	6,850	9,725	4,422	2006	2006	
East Point, Georgia												
Camp Creek 2400	Industrial	—	296	627	2,259	300	2,882	3,182	1,435	1988	2001	
Camp Creek 2600	Industrial	—	364	824	1,642	368	2,462	2,830	1,327	1990	2001	
Camp Creek 3201	Industrial	—	1,937	7,426	4,202	1,937	11,628	13,565	5,578	2004	2004	
Camp Creek 3900	Industrial	—	287	2,919	2,210	286	5,130	5,416	2,238	2005	2005	
Camp Creek 3909	Industrial	—	5,687	1,309	26,508	15,168	18,336	33,504	17,337	2014	2006	
Camp Creek 4200	Industrial	—	2,065	7,037	3,687	2,438	10,351	12,789	6,943	2006	2006	
Camp Creek 3000	Industrial	—	1,163	1,020	1,479	1,258	2,404	3,662	1,809	2007	2007	
Camp Creek 4800	Industrial	—	2,476	3,906	2,317	2,740	5,959	8,699	3,714	2008	2008	
Camp Creek 4100	Industrial	—	3,130	9,115	553	3,327	9,471	12,798	3,787	2013	2013	
Camp Creek 3700	Industrial	—	1,878	3,842	100	1,883	3,937	5,820	2,044	2014	2014	
Camp Creek 4909	Industrial	—	7,807	14,321	3,777	7,851	18,054	25,905	5,329	2016	2016	
Camp Creek 3707	Industrial	—	7,282	20,538	3	7,282	20,541	27,823	5,527	2017	2017	
Camp Creek 4505	Industrial	—	4,505	9,697	3,489	4,505	13,186	17,691	2,130	2017	2017	
Site S Parking Lot	Grounds	—	4,469	—	303	4,772	—	4,772	663	n/a	2018	
Camp Creek 4900	Industrial	—	3,244	7,758	599	3,244	8,357	11,601	822	2019	2019	
Camp Creek 4850	Industrial	—	5,428	7,169	—	5,428	7,169	12,597	335	2020	2020	
Easton, Pennsylvania												
33 Logistics Park 1610	Industrial	—	24,752	55,500	1,939	24,869	57,322	82,191	17,780	2016	2016	
33 Logistics Park 1611	Industrial	—	17,979	20,882	1,970	17,979	22,852	40,831	6,324	2017	2017	
33 Logistics Park 1620	Industrial	—	29,786	33,023	1,250	29,729	34,330	64,059	5,316	2018	2018	
Elk Grove Village, Illinois												
1717 Busse Road	Industrial	—	3,602	18,065	37	3,602	18,102	21,704	5,965	2004	2011	
901 Chase Avenue	Industrial	—	10,405	8,961	—	10,405	8,961	19,366	477	2020	2020	

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					Year Constructed/Renovated	Year Acquired
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Ellenwood, Georgia												
2529 Old Anvil Block	Industrial	—	4,664	9,265	446	4,664	9,711	14,375	3,523	2014	2014	
Fairfield, Ohio												
Union Centre Industrial 6019	Industrial	—	5,635	6,576	2,706	5,635	9,282	14,917	5,769	2008	2008	
Union Centre Industrial 5855	Industrial	—	3,009	15,387	2,063	3,009	17,450	20,459	3,732	2016	2016	
Fairfield Logistics Ctr 7940	Industrial	—	4,679	8,237	2,177	4,689	10,404	15,093	1,168	2018	2018	
Fishers, Indiana												
Exit 5 9998	Industrial	—	581	2,561	1,084	581	3,645	4,226	1,773	1999	1999	
Exit 5 9888	Industrial	—	555	2,498	1,516	555	4,014	4,569	2,269	2000	2000	
Flower Mound, Texas												
Lakeside Ranch 550	Industrial	—	9,861	19,299	494	9,861	19,793	29,654	10,813	2007	2011	
Lakeside Ranch 1001	Industrial	—	5,662	23,061	2,278	5,662	25,339	31,001	2,006	2019	2019	
Lakeside Ranch 350	Industrial	—	3,665	10,105	3,734	3,665	13,839	17,504	628	2019	2019	
Fontana, California												
14970 Jurupa Ave	Grounds	—	17,306	—	—	17,306	—	17,306	962	n/a	2016	
7953 Cherry Ave	Industrial	—	6,704	12,521	824	6,704	13,345	20,049	2,591	2017	2017	
9988 Redwood Ave	Industrial	—	7,755	16,326	695	7,755	17,021	24,776	3,708	2016	2017	
11250 Poplar Ave	Industrial	—	18,138	33,586	—	18,138	33,586	51,724	6,313	2016	2017	
16171 Santa Ana Ave	Industrial	—	13,681	13,331	89	13,681	13,420	27,101	1,646	2018	2018	
Fort Lauderdale, Florida												
Interstate 95 2200	Industrial	—	9,332	13,401	2,123	9,332	15,524	24,856	2,513	2017	2017	
Interstate 95 2100	Industrial	—	10,948	18,681	—	10,948	18,681	29,629	2,703	2017	2017	
Fort Worth, Texas												
Riverpark 3300	Industrial	—	3,975	10,633	647	3,975	11,280	15,255	6,637	2007	2011	
Franklin, Tennessee												
Aspen Grove Business 277	Industrial	—	936	2,919	4,014	936	6,933	7,869	3,695	1996	1999	
Aspen Grove Business 320	Industrial	—	1,151	5,824	1,345	1,151	7,169	8,320	3,845	1996	1999	
Aspen Grove Business 305	Industrial	—	970	4,677	1,097	970	5,774	6,744	3,128	1998	1999	
Aspen Grove Business 400	Industrial	—	492	1,677	1,199	492	2,876	3,368	1,174	2002	2002	
Brentwood South Business 119	Industrial	—	569	1,063	1,625	569	2,688	3,257	1,390	1990	1999	
Brentwood South Business 121	Industrial	—	445	1,563	431	445	1,994	2,439	1,051	1990	1999	
Brentwood South Business 123	Industrial	—	489	962	1,347	489	2,309	2,798	1,280	1990	1999	

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
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Franklin Park, Illinois											
11501 West Irving Park Road	Industrial	—	3,900	2,702	1,585	3,900	4,287	8,187	2,095	2007	2007
Fullerton, California											
500 Burning Tree Rd	Industrial	—	7,336	4,435	—	7,336	4,435	11,771	935	1991	2018
700 Burning Tree Rd	Industrial	—	5,001	4,915	—	5,001	4,915	9,916	642	1991	2018
Garden City, Georgia											
Aviation Court Land	Grounds	—	1,509	—	—	1,509	—	1,509	283	n/a	2006
Garner, North Carolina											
Greenfield North 600	Industrial	—	597	2,456	536	598	2,991	3,589	1,167	2006	2011

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020				Year Constructed/Renovated	Year Acquired
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Greenfield North 700	Industrial	—	468	2,054	295	469	2,348	2,817	873	2007	2011
Greenfield North 800	Industrial	—	438	5,772	579	440	6,349	6,789	1,991	2004	2011
Greenfield North 900	Industrial	—	422	5,792	1,762	425	7,551	7,976	2,412	2007	2011
Greenfield North 1000	Industrial	—	1,897	6,026	96	1,979	6,040	8,019	1,924	2016	2016
Greenfield North 1001	Industrial	—	2,517	5,494	2,523	2,610	7,924	10,534	1,761	2017	2017
N. Greenfield Pkwy Ground DCLP	Grounds	—	189	222	10	189	232	421	220	n/a	2015
Greenfield North 1100	Industrial	—	1,870	5,623	—	1,870	5,623	7,493	187	2020	2020
Greenfield North 1201	Industrial	—	3,462	6,909	—	3,462	6,909	10,371	205	2020	2020
Geneva, Illinois											
1800 Averill Road	Industrial	—	3,189	11,582	7,640	4,778	17,633	22,411	5,667	2013	2011
Gibson, Florida											
Tampa Regional Ind Park 13111	Industrial	—	10,547	8,662	2,008	10,547	10,670	21,217	2,680	2017	2017
Tampa Regional Ind Park 13040	Industrial	—	13,184	13,475	2,118	13,184	15,593	28,777	2,277	2018	2018
Glendale Heights, Illinois											
990 North Avenue	Industrial	—	12,144	5,933	3,812	12,324	9,565	21,889	1,127	2018	2018
Grand Prairie, Texas											
Grand Lakes 4003	Industrial	—	8,106	9,124	15,348	9,595	22,983	32,578	11,533	2017	2006
Grand Lakes 3953	Industrial	—	11,853	11,851	13,717	11,853	25,568	37,421	15,001	2008	2008
1803 W. Pioneer Parkway	Industrial	—	7,381	15,389	45	7,381	15,434	22,815	8,515	2008	2011
Grand Lakes 4053	Industrial	—	2,468	6,599	1,242	2,468	7,841	10,309	1,172	2018	2018
Groveport, Ohio											
Groveport Commerce Center 6200	Industrial	—	1,049	5,123	2,786	1,049	7,909	8,958	4,499	1999	1999
Groveport Commerce Center 6300	Industrial	—	510	2,395	2,309	510	4,704	5,214	2,363	2000	2000
Groveport Commerce Center 6295	Industrial	—	435	5,435	2,054	435	7,489	7,924	3,818	2000	2000
Groveport Commerce Center 6405	Industrial	—	1,207	10,322	992	1,207	11,314	12,521	4,496	2005	2005
RGLP North 2842	Industrial	—	5,680	22,366	6	5,680	22,372	28,052	6,266	2008	2010
Hayward, California											
24493 Clawiter Road	Industrial	—	23,835	1,525	—	23,835	1,525	25,360	637	1964	2020
Hazelwood, Missouri											
Lindbergh Distribution 5801	Industrial	—	8,200	9,304	3,823	8,491	12,836	21,327	7,101	2007	2007
Hebron, Kentucky											
Hebron 2305	Industrial	—	8,855	10,797	19,323	9,511	29,464	38,975	22,943	2006	2006

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020						
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired	
Hebron 2285	Industrial	—	6,790	6,730	5,209	6,813	11,916	18,729	7,609	2007	2007	
Skyport 2350	Industrial	—	898	5,777	1,014	1,428	6,261	7,689	2,092	1997	2010	
Skyport 2250	Industrial	—	1,190	8,771	395	1,190	9,166	10,356	3,268	1999	2010	
Skyport 2245	Industrial	—	1,714	8,305	1,091	1,714	9,396	11,110	3,235	2000	2010	
Skyport 2265	Industrial	—	1,153	6,038	975	1,153	7,013	8,166	2,601	2006	2010	
Southpark 1990	Industrial	—	366	8,344	—	366	8,344	8,710	1,642	2016	2016	
Hialeah, Florida												
Countyline Corporate Park 3740	Industrial	—	18,934	11,560	45	18,934	11,605	30,539	2,400	2018	2018	
Countyline Corporate Park 3780	Industrial	—	21,445	22,144	100	21,445	22,244	43,689	3,150	2018	2018	
Countyline Corporate Park 3760	Industrial	—	32,802	52,633	93	32,802	52,726	85,528	6,447	2018	2018	
Countyline Corporate Park 3840	Industrial	—	15,906	14,953	266	15,906	15,219	31,125	2,172	2018	2018	
Countyline Corporate Park 3850	Industrial	—	18,270	17,567	156	18,270	17,723	35,993	1,452	2019	2019	
Countyline Corporate Park 3870	Industrial	—	17,605	17,068	90	17,605	17,158	34,763	1,342	2019	2019	
Hialeah Gardens, Florida												
Miami Ind Logistics Ctr 15002	Industrial	—	10,671	14,071	2,696	10,671	16,767	27,438	3,430	2017	2017	
Miami Ind Logistics Ctr 14802	Industrial	—	10,800	14,236	3,635	10,800	17,871	28,671	3,378	2017	2017	
Miami Ind Logistics Ctr 10701	Industrial	—	13,048	17,204	2,636	13,048	19,840	32,888	4,384	2017	2017	
Hopkins, Minnesota												
Cornerstone 401	Industrial	—	1,454	7,623	2,533	1,454	10,156	11,610	5,751	1996	1997	
Houston, Texas												
Point North 8210	Industrial	—	3,125	2,178	2,673	3,125	4,851	7,976	3,442	2008	2008	
Point North 8120	Industrial	—	4,210	2,108	4,559	4,581	6,296	10,877	2,796	2013	2013	
Point North 8111	Industrial	—	3,957	15,093	642	3,957	15,735	19,692	4,801	2014	2014	
Point North 8411	Industrial	—	5,333	6,946	1,271	5,333	8,217	13,550	2,708	2015	2015	
Westland 8323	Industrial	—	4,183	2,574	3,642	4,417	5,982	10,399	4,189	2008	2008	
Westland 13788	Industrial	—	3,246	8,338	969	3,246	9,307	12,553	4,764	2011	2011	
Gateway Northwest 20710	Industrial	—	7,204	8,028	4,167	7,204	12,195	19,399	4,448	2014	2014	
Gateway Northwest 20702	Industrial	—	2,981	3,122	1,173	2,981	4,295	7,276	1,591	2014	2014	
Gateway Northwest 20502	Industrial	—	2,987	5,342	21	2,987	5,363	8,350	1,811	2016	2016	
22008 N Berwick Drive	Industrial	—	2,981	4,949	905	2,981	5,854	8,835	1,309	2002	2015	
Gateway Northwest 20510	Industrial	—	6,787	11,501	792	6,787	12,293	19,080	2,174	2018	2018	
Point North 8221	Industrial	—	6,503	10,357	1,440	6,503	11,797	18,300	1,241	2019	2019	
Huntley, Illinois												
14100 Weber Drive	Industrial	—	7,539	34,069	78	7,539	34,147	41,686	6,850	2015	2015	
Hutchins, Texas												
801 Wintergreen Road	Industrial	—	5,290	9,115	1,218	5,290	10,333	15,623	6,483	2006	2006	

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Prime Pointe 1005	Industrial	—	5,865	19,420	59	5,865	19,479	25,344	4,411	2016	2016
Prime Pointe 1015	Industrial	—	8,356	16,319	2,443	8,356	18,762	27,118	2,668	2018	2018
Indianapolis, Indiana											
Park 100 5550	Industrial	—	1,171	12,611	678	1,424	13,036	14,460	8,248	1997	1995
Park 100 Bldg 121 Land Lease	Grounds	—	3	—	—	3	—	3	—	n/a	2003
West 79th St. Parking Lot LL	Grounds	—	350	—	699	1,049	—	1,049	852	n/a	2006
North Airport Park 7750	Industrial	—	1,620	4,329	777	1,620	5,106	6,726	1,968	1997	2010
Park 100 5010	Industrial	—	621	1,687	569	621	2,256	2,877	1,026	1984	2010
Park 100 5134	Industrial	—	578	1,911	207	578	2,118	2,696	773	1984	2010

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					
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Park 100 5302	Industrial	—	384	1,257	428	384	1,685	2,069	915	1989	2010
Park 100 5303	Industrial	—	384	1,737	376	384	2,113	2,497	924	1989	2010
Park 100 7225	Industrial	—	1,037	13,332	934	1,037	14,266	15,303	5,075	1996	2010
Park 100 4925	Industrial	—	1,152	8,588	2,390	1,152	10,978	12,130	4,132	2000	2010
8711 North River Crossing Blvd	HQ/Core Portfolio	17,973	4,137	24,259	—	4,137	24,259	28,396	996	2020	2020
Katy, Texas											
3900 Peek Road	Industrial	—	8,584	14,385	—	8,584	14,385	22,969	511	2020	2020
Clay 99 bldg 1	Industrial	—	18,688	38,866	—	18,688	38,866	57,554	629	2020	2020
Kent, Washington											
21214 66th Ave South	Industrial	—	3,813	9,767	—	3,813	9,767	13,580	166	2016	2020
Kutztown, Pennsylvania											
West Hills 9645	Industrial	—	15,340	47,981	623	15,340	48,604	63,944	14,050	2014	2014
West Hills 9677	Industrial	—	5,218	13,029	68	5,218	13,097	18,315	3,797	2015	2015
La Mirada, California											
16501 Trojan Way	Industrial	—	23,503	30,945	125	23,503	31,070	54,573	10,349	2002	2012
16301 Trojan Way	Industrial	—	39,645	22,164	25	39,645	22,189	61,834	2,648	2018	2018
Lancaster, Texas											
Lancaster 2820	Industrial	—	9,786	22,270	8	9,786	22,278	32,064	3,467	2018	2018
LaPorte, Texas											
Bayport Container Lot	Grounds	—	3,334	—	1,041	4,375	—	4,375	—	n/a	2010
Lawrenceville, Georgia											
175 Alcovy Industrial Road	Industrial	—	1,480	2,935	73	1,487	3,001	4,488	1,214	2004	2004
Lebanon, Indiana											
Lebanon Park 185	Industrial	—	177	8,664	1,534	177	10,198	10,375	5,789	2000	1997
Lebanon Park 322	Industrial	—	340	6,230	1,578	340	7,808	8,148	4,188	1999	1999
Lebanon Park 500	Industrial	—	816	10,741	2,670	815	13,412	14,227	5,564	2005	2005
Lebanon Park 210	Industrial	—	156	3,568	109	156	3,677	3,833	1,371	1996	2010
Lebanon Park 311	Industrial	—	349	7,847	907	350	8,753	9,103	3,439	1998	2010
Lebanon, Tennessee											
Park 840 West 14840	Industrial	—	6,776	8,449	6,336	6,776	14,785	21,561	10,411	2006	2006
Park 840 East 1009	Industrial	—	7,731	14,854	1,412	7,852	16,145	23,997	8,725	2013	2013
Linden, New Jersey											
Legacy Commerce Center 801	Industrial	—	22,134	23,645	2,663	22,134	26,308	48,442	6,540	2014	2014
Legacy Commerce Center 301	Industrial	—	6,933	8,575	168	6,933	8,743	15,676	2,403	2015	2015

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

Name	Asset Type	Encumbrances	Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
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Legacy Commerce Center 901	Industrial	—	25,935	19,806	2,301	25,937	22,105	48,042	5,541	2016	2016
Lithia Springs, Georgia											
2601 Skyview Drive	Industrial	—	4,282	9,534	58	4,282	9,592	13,874	2,228	2016	2017
Lockport, Illinois											
Lockport 16328	Industrial	—	3,339	17,446	460	3,339	17,906	21,245	2,888	2016	2017
Lockport 16410	Industrial	—	2,677	16,117	285	2,677	16,402	19,079	2,564	2016	2017
Lockport 16508	Industrial	—	4,520	17,472	2,518	4,520	19,990	24,510	3,224	2017	2017
Lockbourne, Ohio											
Creekside 2120	Industrial	—	2,868	15,406	787	2,868	16,193	19,061	5,591	2008	2012
Creekside 4555	Industrial	—	1,947	11,453	245	1,947	11,698	13,645	3,887	2005	2012
Lodi, New Jersey											
65 Industrial Road	Industrial	—	20,063	899	—	20,063	899	20,962	26	1965	2020
Logan Township, New Jersey											
1130 Commerce Boulevard	Industrial	—	3,770	18,699	1,646	3,770	20,345	24,115	5,988	2002	2013
Long Beach, California											
3700 Cover Street	Industrial	—	7,280	6,954	—	7,280	6,954	14,234	3,049	2012	2013
Lynwood, California											
2700 East Imperial Highway	Industrial	—	16,847	17,865	56	16,847	17,921	34,768	7,287	1999	2011
11600 Alameda Street	Industrial	—	10,705	10,979	1,706	10,958	12,432	23,390	1,863	2017	2017
Manteca, California											
600 Spreckels Avenue	Industrial	—	4,851	18,985	272	4,851	19,257	24,108	6,324	1999	2012
Maple Grove, Minnesota											
Arbor Lakes 10500	Industrial	—	4,803	9,891	3,660	4,912	13,442	18,354	1,191	2018	2018
Arbor Lakes 10501	Industrial	—	5,363	17,713	77	5,363	17,790	23,153	1,668	2019	2019
Park 81 10750	Industrial	—	3,971	9,262	1	3,971	9,263	13,234	646	2019	2019
Maryland Heights, Missouri											
Riverport 3128	Industrial	—	733	1,492	2,744	733	4,236	4,969	2,087	2001	2001
Riverport 3101	Industrial	—	1,864	3,072	2,207	1,864	5,279	7,143	3,552	2007	2007
McDonough, Georgia											
Liberty Distribution 120	Industrial	—	615	8,117	699	615	8,816	9,431	4,677	1997	1999
Liberty Distribution 250	Industrial	—	2,273	10,910	6,913	3,416	16,680	20,096	7,833	2001	2001

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

Name	Asset Type	Encumbrances	Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
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Mechanicsburg, Pennsylvania											
500 Independence Avenue	Industrial	—	4,494	15,007	883	4,499	15,885	20,384	4,380	2008	2013
Melrose Park, Illinois											
1600 North 25th Avenue	Industrial	—	5,907	17,516	323	5,907	17,839	23,746	7,035	2000	2010
Miami, Florida											
9601 NW 112 Avenue	Industrial	—	11,626	14,651	8	11,626	14,659	26,285	4,914	2003	2013
Minooka, Illinois											
Midpoint Distribution 801	Industrial	—	6,282	33,196	627	6,282	33,823	40,105	10,768	2008	2013
Modesto, California											
1000 Oates Court	Industrial	—	10,115	16,944	428	10,115	17,372	27,487	7,421	2002	2012
Monroe Twp., New Jersey											
773 Cranbury South River Road	Industrial	—	3,001	36,527	160	3,001	36,687	39,688	5,846	2016	2017
Moreno Valley, California											
17791 Perris Boulevard	Industrial	—	67,806	74,531	38	67,806	74,569	142,375	10,725	2018	2017
15810 Heacock Street	Industrial	—	9,727	18,882	2,770	9,727	21,652	31,379	2,485	2017	2017
24975 Nandina Ave	Industrial	—	13,322	17,214	228	13,322	17,442	30,764	1,181	2019	2019
24960 San Michele	Industrial	—	8,336	13,705	—	8,336	13,705	22,041	1,566	2019	2019
Morgans Point, Texas											
Barbours Cut 1200	Industrial	—	889	8,209	90	889	8,299	9,188	3,427	2004	2010
Barbours Cut 1000	Industrial	—	868	8,471	168	868	8,639	9,507	3,596	2005	2010
Morrisville, North Carolina											
Perimeter Park 3000	Industrial	—	482	1,982	1,756	491	3,729	4,220	1,859	1989	1999
Perimeter Park 2900	Industrial	—	235	1,314	1,644	241	2,952	3,193	1,553	1990	1999
Perimeter Park 2800	Industrial	—	777	4,151	1,317	791	5,454	6,245	2,876	1992	1999
Perimeter Park 2700	Industrial	—	662	1,081	2,270	662	3,351	4,013	1,610	2001	2001
Woodlake 100	Industrial	—	633	3,183	2,080	1,132	4,764	5,896	2,577	1994	1999
Woodlake 101	Industrial	—	615	3,868	541	615	4,409	5,024	2,335	1997	1999
Woodlake 200	Industrial	—	357	3,688	980	357	4,668	5,025	2,416	1999	1999
Woodlake 501	Industrial	—	640	5,477	429	640	5,906	6,546	3,087	1999	1999
Woodlake 1000	Industrial	—	514	2,731	3,076	514	5,807	6,321	1,620	2020	2002
Woodlake 1200	Industrial	—	740	4,155	2,445	740	6,600	7,340	2,277	2020	2002
Woodlake 400	Industrial	—	390	1,055	454	390	1,509	1,899	652	2004	2004
Myerstown, Pennsylvania											
Central Logistics Park 100	Industrial	—	17,537	29,564	—	17,537	29,564	47,101	1,105	2020	2020

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
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Naperville, Illinois											
1835 W. Jefferson	Industrial	—	2,209	7,921	946	2,213	8,863	11,076	3,659	2005	2003
175 Ambassador Drive	Industrial	—	3,822	11,252	11	3,822	11,263	15,085	4,130	2006	2010
1860 West Jefferson	Industrial	—	7,016	35,581	764	7,016	36,345	43,361	14,545	2000	2012
Nashville, Tennessee											
Airpark East 800	Industrial	—	1,564	2,129	1,807	1,564	3,936	5,500	1,671	2002	2002
Nashville Business 3300	Industrial	—	936	4,773	1,914	936	6,687	7,623	3,567	1997	1999
Nashville Business 3438	Industrial	—	3,048	8,165	2,184	3,048	10,349	13,397	4,327	2005	2005
Four-Forty Business 700	Industrial	—	938	6,354	706	938	7,060	7,998	3,787	1997	1999
Four-Forty Business 684	Industrial	—	1,812	6,561	2,207	1,812	8,768	10,580	4,560	1998	1999
Four-Forty Business 782	Industrial	—	1,522	4,820	1,657	1,522	6,477	7,999	3,452	1997	1999
Four-Forty Business 784	Industrial	—	471	2,153	1,716	471	3,869	4,340	2,241	1999	1999
Four-Forty Business 701	Industrial	—	997	4,763	115	997	4,878	5,875	1,665	1996	2010
Newark, New Jersey											
429 Delancy Street	Industrial	—	60,393	85,359	944	60,486	86,210	146,696	3,797	2019	2019
Northlake, Illinois											
Northlake Distribution 635	Industrial	—	5,721	9,008	1,574	5,721	10,582	16,303	4,613	2002	2002
Northlake Distribution 599	Industrial	—	5,382	5,685	3,568	5,382	9,253	14,635	5,325	2014	2006
200 Champion Way	Industrial	—	3,554	11,528	832	3,554	12,360	15,914	4,088	1997	2011
Oakland, California											
1905 Dennison Street	Industrial	15,492	12,118	20,518	—	12,118	20,518	32,636	289	1956	2020
955 Kennedy Street	Industrial	9,792	13,053	9,764	—	13,053	9,764	22,817	193	1966	2020
Orange, California											
210 W Baywood Ave	Industrial	—	5,066	4,515	1,746	5,066	6,261	11,327	683	1989	2018
Orlando, Florida											
2502 Lake Orange	Industrial	—	2,331	3,235	319	2,331	3,554	5,885	1,572	2003	2003

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Parksouth Distribution 2500	Industrial	—	565	4,360	2,030	570	6,385	6,955	3,412	1996	1999
Parksouth Distribution 2490	Industrial	—	493	4,170	946	498	5,111	5,609	2,928	1997	1999
Parksouth Distribution 2491	Industrial	—	593	3,150	1,833	597	4,979	5,576	2,418	1998	1999
Parksouth Distribution 9600	Industrial	—	649	4,111	1,128	653	5,235	5,888	2,916	1997	1999
Parksouth Distribution 9550	Industrial	—	1,030	4,207	3,218	1,035	7,420	8,455	3,623	1999	1999
Parksouth Distribution 2481	Industrial	—	725	2,245	1,542	730	3,782	4,512	1,941	2000	2000
Parksouth Distribution 9592	Industrial	—	623	1,646	134	623	1,780	2,403	823	2003	2003
Crossroads Business Park 301	Industrial	—	2,803	2,804	4,070	2,803	6,874	9,677	3,769	2006	2006
Crossroads Business Park 601	Industrial	—	2,701	3,571	2,073	2,701	5,644	8,345	3,063	2007	2007
7133 Municipal Drive	Industrial	—	5,817	6,820	29	5,817	6,849	12,666	950	2018	2018
Otsego, Minnesota											
Gateway North 6301	Industrial	—	1,543	6,515	6,009	2,783	11,284	14,067	2,348	2017	2015
Gateway North 6651	Industrial	—	3,667	16,249	129	3,748	16,297	20,045	3,890	2015	2015
Gateway North 6701	Industrial	—	3,266	11,653	186	3,374	11,731	15,105	3,349	2014	2014
Gateway North 6651 Exp Land	Grounds	—	1,521	—	—	1,521	—	1,521	439	n/a	2016
Pasadena, Texas											
Interport 13001	Industrial	—	5,715	30,961	777	5,655	31,798	37,453	9,208	2007	2013
Bayport 4035	Industrial	—	3,772	10,255	188	3,772	10,443	14,215	1,697	2008	2017
Bayport 4331	Industrial	—	7,638	30,213	85	7,638	30,298	37,936	5,258	2008	2017
Perris, California											
3500 Indian Avenue	Industrial	—	16,210	27,759	8,884	18,716	34,137	52,853	10,147	2015	2015
3300 Indian Avenue	Industrial	—	39,012	43,280	1,885	39,006	45,171	84,177	12,739	2017	2017
4323 Indian Ave	Industrial	—	20,525	30,125	469	20,525	30,594	51,119	2,960	2019	2019
4375 N Perris Blvd	Industrial	—	26,830	69,593	—	26,830	69,593	96,423	2,384	2020	2020
4501 Patterson Avenue	Industrial	—	28,211	49,912	—	28,211	49,912	78,123	1,201	2020	2020
Piscataway, New Jersey											
141 Circle Drive North	Grounds	—	5,237	—	—	5,237	—	5,237	—	n/a	2020
Plymouth, Minnesota											
Waterford Innovation Center	Industrial	—	2,689	9,897	84	2,689	9,981	12,670	1,766	2017	2017
Pomona, California											
1589 E 9th St.	Industrial	—	7,386	14,745	359	7,386	15,104	22,490	2,795	2016	2017

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
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Perth Amboy, New Jersey											
ePort 960	Industrial	—	14,425	23,463	2,014	14,425	25,477	39,902	3,541	2017	2017
ePort 980	Industrial	—	43,778	87,019	251	43,778	87,270	131,048	12,167	2017	2017
ePort 1000	Industrial	—	19,726	41,229	1,040	19,726	42,269	61,995	5,520	2017	2017
Steel Run Logistics Ctr Bldg 1	Industrial	—	31,987	23,948	—	31,987	23,948	55,935	745	2020	2020
Steel Run Logistics Ctr Bldg 2	Industrial	—	73,056	68,473	—	73,056	68,473	141,529	851	2020	2020
Plainfield, Indiana											
Plainfield 1551	Industrial	—	1,097	7,772	10,899	1,097	18,671	19,768	7,691	2015	2000
Plainfield 1581	Industrial	—	1,094	7,279	2,313	1,094	9,592	10,686	5,000	2000	2000
Plainfield 2209	Industrial	—	2,016	8,717	2,740	2,016	11,457	13,473	5,127	2002	2002
Plainfield 1390	Industrial	—	998	5,817	1,044	998	6,861	7,859	2,804	2004	2004
Plainfield 2425	Industrial	—	4,527	10,908	1,905	4,527	12,813	17,340	7,149	2006	2006
Home Depot trailer parking lot	Grounds	—	310	—	—	310	—	310	—	2018	2018
AllPoints Midwest Bldg. 1	Industrial	—	6,692	51,152	1,844	6,692	52,996	59,688	9,855	2008	2016
AllPoints Midwest Bldg. 4	Industrial	—	4,111	9,943	22	4,053	10,023	14,076	5,576	2012	2013
Pompano Beach, Florida											
Atlantic Business 1700	Industrial	—	3,165	8,821	1,894	3,165	10,715	13,880	4,374	2000	2010
Atlantic Business 1800	Industrial	—	2,663	8,417	554	2,663	8,971	11,634	3,487	2001	2010
Atlantic Business 1855	Industrial	—	2,764	8,162	234	2,764	8,396	11,160	3,181	2001	2010
Atlantic Business 2022	Industrial	—	1,804	5,885	41	1,804	5,926	7,730	2,231	2002	2010
Atlantic Business 1914	Industrial	—	1,834	5,339	31	1,834	5,370	7,204	2,053	2002	2010
Atlantic Business 2003	Industrial	—	1,980	5,918	777	1,980	6,695	8,675	2,839	2002	2010
Atlantic Business 1901	Industrial	—	1,995	6,217	376	1,995	6,593	8,588	2,422	2004	2010
Atlantic Business 2200	Industrial	—	1,999	6,012	852	1,999	6,864	8,863	2,790	2004	2010
Atlantic Business 2100	Industrial	—	1,988	6,130	141	1,988	6,271	8,259	2,343	2002	2010
Atlantic Business 2201	Industrial	—	2,194	4,050	202	2,194	4,252	6,446	1,744	2005	2010
Atlantic Business 2101	Industrial	—	2,066	6,682	71	2,066	6,753	8,819	2,556	2004	2010
Atlantic Business 2103	Industrial	—	1,616	3,634	92	1,616	3,726	5,342	1,500	2005	2010
Copans Business Park 1571	Industrial	—	1,710	3,646	387	1,710	4,033	5,743	1,562	1989	2010
Copans Business Park 1521	Industrial	—	1,781	3,101	416	1,781	3,517	5,298	1,505	1989	2010
Park Central 3250	Industrial	—	1,688	1,997	105	1,688	2,102	3,790	1,030	1999	2010
Park Central 3760	Industrial	—	3,098	2,567	1,621	3,098	4,188	7,286	1,932	1995	2010
Pompano Commerce Center 2901	Industrial	—	2,177	4,872	889	2,178	5,760	7,938	2,781	2010	2010
Pompano Commerce Center 3101	Industrial	—	2,905	4,670	486	2,916	5,145	8,061	2,070	2015	2015

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020						
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired	
Pompano Commerce Center 2951	Industrial	—	2,177	5,704	64	2,178	5,767	7,945	2,849	2010	2010	
Pompano Commerce Center 3151	Industrial	—	2,897	3,939	1,249	2,908	5,177	8,085	1,690	2015	2015	
Sample 95 Business Park 3101	Industrial	—	3,300	6,115	565	3,300	6,680	9,980	2,637	1999	2010	
Sample 95 Business Park 3001	Industrial	—	2,963	6,135	211	2,963	6,346	9,309	2,511	1999	2011	
Sample 95 Business Park 3035	Industrial	—	3,713	4,288	411	3,713	4,699	8,412	2,051	1999	2011	
Sample 95 Business Park 3135	Industrial	—	1,688	5,030	859	1,688	5,889	7,577	2,510	1999	2010	
Copans Business Park 1551	Industrial	—	1,856	3,146	1,323	1,856	4,469	6,325	2,370	1989	2011	
Copans Business Park 1501	Industrial	—	1,988	3,367	301	1,988	3,668	5,656	1,464	1989	2011	
Park Central 1700	Industrial	—	4,136	6,407	866	4,136	7,273	11,409	3,155	1998	2011	
Park Central 2101	Industrial	—	2,696	5,798	1,143	2,696	6,941	9,637	2,817	1998	2011	
Park Central 3300	Industrial	—	1,635	2,846	416	1,635	3,262	4,897	1,391	1996	2011	
Park Central 100	Industrial	—	1,500	1,992	686	1,500	2,678	4,178	1,157	1998	2011	
Park Central 1300	Industrial	—	2,438	3,021	2,178	2,438	5,199	7,637	2,468	1997	2011	
Copans 95 1731	Industrial	—	3,511	5,889	1,208	3,516	7,092	10,608	385	2019	2019	
Port Wentworth, Georgia												
100 Logistics Way	Industrial	4,734	2,306	11,043	2,291	2,336	13,304	15,640	5,422	2006	2006	
500 Expansion Boulevard	Industrial	2,193	649	5,842	208	649	6,050	6,699	2,092	2006	2008	
400 Expansion Boulevard	Industrial	—	1,636	13,186	1,208	1,636	14,394	16,030	4,640	2007	2008	
605 Expansion Boulevard	Industrial	—	1,615	6,852	5,273	1,615	12,125	13,740	2,456	2020	2008	
405 Expansion Boulevard	Industrial	—	535	3,192	125	535	3,317	3,852	1,080	2008	2009	
600 Expansion Boulevard	Industrial	—	1,248	9,392	33	1,248	9,425	10,673	2,890	2008	2009	
602 Expansion Boulevard	Industrial	—	1,840	10,981	78	1,859	11,040	12,899	3,316	2009	2009	
Raleigh, North Carolina												
Walnut Creek 540	Industrial	—	419	1,651	999	419	2,650	3,069	1,214	2001	2001	
Walnut Creek 4000	Industrial	—	456	2,078	450	456	2,528	2,984	1,229	2001	2001	
Walnut Creek 3080	Industrial	—	679	2,766	1,546	679	4,312	4,991	1,939	2001	2001	
Walnut Creek 3070	Industrial	—	913	1,187	1,511	913	2,698	3,611	1,123	2004	2004	
Walnut Creek 3071	Industrial	—	1,718	2,746	657	1,718	3,403	5,121	2,184	2008	2008	
Rancho Cucamonga, California												
9189 Utica Ave	Industrial	—	5,794	12,646	265	5,794	12,911	18,705	2,599	2016	2017	
Rancho Dominguez, California												
18700 Laurel Park Rd	Industrial	—	8,080	2,987	302	8,284	3,085	11,369	689	1971	2017	

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Redlands, California											
2300 W. San Bernadino Ave	Industrial	—	20,031	17,968	1,893	20,031	19,861	39,892	7,559	2001	2013
Richmond, California											
2041 Factory Street	Industrial	—	8,132	22,266	—	8,132	22,266	30,398	1,702	2000	2019
Romeoville, Illinois											
875 W. Crossroads Parkway	Industrial	—	4,113	7,274	2,218	4,113	9,492	13,605	3,924	2005	2005
Crossroads 1255	Industrial	—	2,350	9,217	3,058	2,350	12,275	14,625	4,627	1999	2010
Crossroads 801	Industrial	—	2,622	6,184	305	2,622	6,489	9,111	4,122	2009	2010
1341-1343 Enterprise Drive	Industrial	—	3,076	12,150	212	3,076	12,362	15,438	2,492	2015	2015
50-56 N. Paragon	Industrial	—	3,985	5,433	1,212	3,985	6,645	10,630	1,651	2017	2017
Airport Logistics Center I	Industrial	—	9,133	17,187	5,946	11,282	20,984	32,266	1,531	2019	2019
Roseville, Minnesota											
2215 Highway 36 West	Industrial	—	1,655	5,931	1,244	1,655	7,175	8,830	2,976	1998	2011
2420 Long Lake Road	Industrial	—	1,373	4,135	1,043	1,373	5,178	6,551	2,137	2000	2011
San Leandro, California											
1919 Williams Street	Industrial	—	27,739	2,038	2	27,739	2,040	29,779	290	1985	2019
Savannah, Georgia											
198 Gulfstream	Industrial	—	549	3,650	960	549	4,610	5,159	1,644	1997	2006
194 Gulfstream	Industrial	—	412	2,359	276	412	2,635	3,047	1,027	1998	2006
190 Gulfstream	Industrial	—	689	4,134	372	689	4,506	5,195	1,808	1999	2006
250 Grange Road	Industrial	—	884	7,776	39	884	7,815	8,699	3,043	2002	2006
248 Grange Road	Industrial	—	613	3,180	8	613	3,188	3,801	1,283	2002	2006
318 Grange Road	Industrial	—	880	4,131	916	880	5,047	5,927	1,892	2001	2006
246 Grange Road	Industrial	2,510	1,124	7,486	743	1,124	8,229	9,353	3,038	2006	2006
163 Portside Court	Industrial	—	8,433	7,746	260	8,433	8,006	16,439	6,136	2004	2006
151 Portside Court	Industrial	—	966	7,117	750	916	7,917	8,833	3,260	2003	2006
175 Portside Court	Industrial	5,201	4,300	13,344	2,498	5,782	14,360	20,142	6,975	2005	2006

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					Year Constructed/Renovated	Year Acquired
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)			
235 Jimmy Deloach Parkway	Industrial	—	1,074	7,201	1,340	1,147	8,468	9,615	3,524	2001	2006	
239 Jimmy Deloach Parkway	Industrial	—	1,074	6,424	732	1,074	7,156	8,230	2,879	2001	2006	
246 Jimmy Deloach Parkway	Industrial	1,525	992	4,878	47	936	4,981	5,917	2,008	2006	2006	
200 Logistics Way	Industrial	3,397	878	9,274	365	883	9,634	10,517	3,308	2006	2008	
2509 Dean Forest Road	Industrial	—	2,392	6,040	2,409	2,914	7,927	10,841	3,253	2008	2011	
276 Jimmy Deloach Parkway	Industrial	—	6,772	6,405	19	6,772	6,424	13,196	604	2019	2019	
Sea Brook, Texas												
Bayport Logistics 5300	Industrial	—	1,578	13,284	190	1,577	13,475	15,052	5,796	2009	2010	
Bayport Logistics 5801	Industrial	—	5,116	7,663	171	5,116	7,834	12,950	2,563	2015	2015	
Shakopee, Minnesota												
3880 4th Avenue East	Industrial	—	1,496	6,102	36	1,522	6,112	7,634	2,310	2000	2011	
Gateway South 2301	Industrial	—	2,648	11,898	10	2,647	11,909	14,556	2,346	2016	2016	
Gateway South 2101	Industrial	—	4,273	16,716	22	4,273	16,738	21,011	3,184	2017	2017	
Sharonville, Ohio												
Mosteller 11400	Industrial	—	408	2,705	3,785	408	6,490	6,898	2,993	1997	1997	
South Brunswick, New Jersey												
10 Broadway Road	Industrial	—	15,168	13,916	1,226	15,168	15,142	30,310	3,377	2017	2017	
St. Peters, Missouri												
Premier 370 Bus Park 2001	Industrial	—	8,709	25,696	—	8,709	25,696	34,405	5,355	2017	2017	
Premier 370 Bus Park 2000	Industrial	—	4,361	11,998	—	4,361	11,998	16,359	2,385	2017	2017	
Premier 370 Bus Park 1000	Industrial	—	4,563	9,805	719	4,563	10,524	15,087	2,176	2017	2017	
Premier 370 Bus Park 4000	Industrial	—	15,773	70,978	—	15,773	70,978	86,751	6,947	2019	2019	
Premier 370 Bus Park 1001	Industrial	—	6,362	12,408	1,949	6,362	14,357	20,719	1,517	2019	2019	
Stafford, Texas												
10225 Mula Road	Industrial	—	3,502	2,656	3,734	3,502	6,390	9,892	3,629	2008	2008	
Sterling, Virginia												
TransDulles Centre 22601	Industrial	—	1,700	5,001	602	1,700	5,603	7,303	2,413	2004	2016	
TransDulles Centre 22620	Industrial	—	773	1,957	16	773	1,973	2,746	852	1999	2016	
TransDulles Centre 22626	Industrial	—	1,544	3,874	210	1,544	4,084	5,628	1,747	1999	2016	
TransDulles Centre 22633	Industrial	—	702	1,657	47	702	1,704	2,406	786	2004	2016	
TransDulles Centre 22635	Industrial	—	1,753	4,182	17	1,753	4,199	5,952	1,822	1999	2016	
TransDulles Centre 22645	Industrial	—	1,228	3,411	313	1,228	3,724	4,952	1,556	2005	2016	
TransDulles Centre 22714	Industrial	—	3,973	3,535	1,251	3,973	4,786	8,759	2,814	2007	2007	
TransDulles Centre 22750	Industrial	—	2,068	5,018	276	2,068	5,294	7,362	2,320	2003	2016	
TransDulles Centre 22815	Industrial	—	7,685	5,713	195	7,685	5,908	13,593	2,876	2000	2016	
TransDulles Centre 22825	Industrial	—	1,758	4,951	689	1,758	5,640	7,398	2,193	1997	2016	

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020					
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
TransDulles Centre 22879	Industrial	—	2,828	8,425	261	2,828	8,686	11,514	3,711	1989	2016
TransDulles Centre 22880	Industrial	—	2,311	4,922	10	2,311	4,932	7,243	2,236	1998	2016
TransDulles Centre 46213	Industrial	—	5,912	3,965	720	5,912	4,685	10,597	1,982	2015	2015
Sumner, Washington											
13501 38th Street East	Industrial	—	16,032	4,954	323	16,032	5,277	21,309	4,871	2005	2007
4800 E Valley Highway	Industrial	—	12,567	21,838	—	12,567	21,838	34,405	2,397	2004	2019
Suwanee, Georgia											
Horizon Business 90	Industrial	—	153	1,169	293	153	1,462	1,615	531	2002	2010
Horizon Business 225	Industrial	—	388	2,056	703	389	2,758	3,147	1,113	1990	2010
Horizon Business 250	Industrial	—	1,381	6,356	1,172	1,381	7,528	8,909	3,210	1997	2010
Horizon Business 70	Industrial	—	813	3,416	992	812	4,409	5,221	1,603	1998	2010
Horizon Business 2780	Industrial	—	972	5,688	2,138	972	7,826	8,798	2,499	1997	2010
Horizon Business 25	Industrial	—	615	2,528	1,889	614	4,418	5,032	1,896	1999	2010
Horizon Business 2790	Industrial	—	780	4,958	—	780	4,958	5,738	1,740	2006	2010
1000 Northbrook Parkway	Industrial	—	643	3,597	711	643	4,308	4,951	2,035	1986	2010
Tampa, Florida											
Fairfield Distribution 8640	Industrial	—	483	2,359	1,095	487	3,450	3,937	1,582	1998	1999
Fairfield Distribution 4720	Industrial	—	530	4,624	996	534	5,616	6,150	3,055	1998	1999
Fairfield Distribution 4758	Industrial	—	334	2,658	756	338	3,410	3,748	1,654	1999	1999
Fairfield Distribution 8600	Industrial	—	600	1,185	2,229	604	3,410	4,014	1,862	1999	1999
Fairfield Distribution 4901	Industrial	—	488	2,425	1,136	488	3,561	4,049	1,679	2000	2000
Fairfield Distribution 4727	Industrial	—	555	3,348	1,406	555	4,754	5,309	2,349	2001	2001
Fairfield Distribution 4701	Industrial	—	394	1,350	1,574	394	2,924	3,318	1,377	2001	2001
Fairfield Distribution 4661	Industrial	—	444	1,640	879	444	2,519	2,963	1,093	2004	2004
Eagle Creek Business 8701	Industrial	—	3,705	2,331	2,700	3,705	5,031	8,736	4,419	2006	2006
Eagle Creek Business 8651	Industrial	—	2,354	1,661	1,890	2,354	3,551	5,905	2,900	2007	2007
Eagle Creek Business 8601	Industrial	—	2,332	2,229	629	2,332	2,858	5,190	2,378	2007	2007
Pinebrooke Bus Center 10350	Industrial	—	2,457	6,211	—	2,457	6,211	8,668	191	2020	2020
Teterboro, New Jersey											
1 Catherine Street	Industrial	—	14,376	18,788	11	14,376	18,799	33,175	3,618	2016	2017
Tracy, California											
1400 Pescadero Avenue	Industrial	—	9,633	39,644	—	9,633	39,644	49,277	13,377	2008	2013
West Chester, Ohio											
World Park Union Centre 9287	Industrial	—	2,150	827	7,509	2,151	8,335	10,486	4,671	2006	2006

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands of U.S. dollars, as applicable)

Schedule III

Name	Asset Type	Encumbrances	Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value at 12/31/2020			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
World Park Union Centre 9271	Industrial	—	557	5,923	468	557	6,391	6,948	2,595	2004	2004
World Park Union Centre 9266	Industrial	—	956	5,951	398	956	6,349	7,305	2,293	1999	2010
World Park Union Centre 9451	Industrial	—	1,036	6,199	733	1,036	6,932	7,968	2,493	1999	2010
World Park Union Centre 5443	Industrial	—	935	4,753	419	935	5,172	6,107	1,825	2005	2010
World Park Union Centre 9107	Industrial	—	986	5,985	1,541	986	7,526	8,512	2,913	1999	2010
World Park Union Centre 9245	Industrial	—	1,011	5,783	970	1,010	6,754	7,764	2,684	2001	2010
West Palm Beach, Florida											
Park of Commerce 5655	Industrial	—	1,635	1,728	310	1,635	2,038	3,673	889	2010	2010
Park of Commerce 5720	Industrial	—	2,160	3,633	844	2,320	4,317	6,637	1,740	2010	2010
Airport Center 1701	Industrial	—	2,437	5,851	750	2,437	6,601	9,038	2,730	2002	2010
Airport Center 1805	Industrial	—	1,706	4,453	306	1,706	4,759	6,465	1,965	2002	2010
Airport Center 1865	Industrial	—	1,500	4,176	773	1,500	4,949	6,449	1,850	2002	2010
Park of Commerce #4	Grounds	—	5,934	—	—	5,934	—	5,934	51	n/a	2011
Park of Commerce #5	Grounds	—	6,308	—	—	6,308	—	6,308	49	n/a	2011
Turnpike Crossing 1315	Industrial	—	7,390	5,762	352	7,390	6,114	13,504	2,287	2016	2016
Turnpike Crossing 1333	Industrial	—	6,255	4,560	975	6,255	5,535	11,790	1,983	2016	2016
Turnpike Crossing 6747	Industrial	—	10,607	7,112	2,786	10,607	9,898	20,505	2,436	2017	2017
Turnpike Crossing 6729	Industrial	—	8,576	7,506	713	8,576	8,219	16,795	1,286	2018	2018
Turnpike Crossing 6711	Industrial	—	8,328	7,360	9	8,341	7,356	15,697	678	2019	2019
Turnpike Crossing 6717	Industrial	—	7,849	9,542	—	7,849	9,542	17,391	321	2020	2020
Wind Gap, Pennsylvania											
1380 Jacobsburg Road	Industrial	—	15,500	25,247	430	15,500	25,677	41,177	2,933	2017	2019
Wood-Ridge, New Jersey											
5 Ethel Boulevard	Industrial	—	18,776	24,752	32	18,776	24,784	43,560	1,808	2019	2019
Accum. Depr. on Improvements of Undeveloped Land											
									4,348		
Eliminations					(12)	(17)	5	(12)	27		
Properties held-for-sale						(27,954)	(44,800)	(72,754)	(5,976)		
		64,417	2,877,696	5,218,879	671,857	2,883,674	5,812,004	8,695,678	1,659,308		

- (1) The tax basis (in thousands) of our real estate assets at December 31, 2020 was approximately \$8,168,875 (unaudited) for federal income tax purposes.
- (2) Depreciation of real estate is computed using the straight-line method not to exceed 40 years for buildings and 15 years for land improvements for properties that we develop, and not to exceed 30 years for buildings and 10 years for land improvements for properties that we acquire. Tenant improvements are depreciated over shorter periods based on lease terms (generally 3 to 10 years).

	Real Estate Assets			Accumulated Depreciation		
	2020	2019	2018	2020	2019	2018
Balance at beginning of year	\$ 7,851,278	\$ 7,248,346	\$ 6,612,229	\$ 1,487,593	\$ 1,345,060	\$ 1,196,458
Acquisitions	410,003	205,390	327,318			
Construction costs and tenant improvements	796,312	635,173	683,284			
Depreciation expense				297,158	272,422	256,250
Cost of real estate sold or contributed	(203,502)	(176,603)	(336,327)	(33,808)	(68,861)	(69,490)
Write-off of fully depreciated assets	(85,659)	(61,028)	(38,158)	(85,659)	(61,028)	(38,158)
Balance at end of year including held-for-sale	\$ 8,768,432	\$ 7,851,278	\$ 7,248,346	\$ 1,665,284	\$ 1,487,593	\$ 1,345,060
Properties held-for-sale	(72,754)	(23,401)	—	(5,976)	(7,132)	(884)
Balance at end of year excluding held-for-sale	\$ 8,695,678	\$ 7,827,877	\$ 7,248,346	\$ 1,659,308	\$ 1,480,461	\$ 1,344,176
Other real estate investments	49,477	165,500				
Real estate assets	\$ 8,745,155	\$ 7,993,377				

See Accompanying Notes to Independent Auditors' Report

Item 16. Form 10-K Summary

Not applicable.

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

Number	Description
3.1	<u>Sixth Amended and Restated Articles of Incorporation of the General Partner (filed as Exhibit 3.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on January 5, 2015, and incorporated herein by this reference).</u>
3.2	<u>Fifth Amended and Restated Bylaws of the General Partner (filed as Exhibit 3.1 to the General Partner's Current Report on Form 8-K as filed with the SEC on October 26, 2017, and incorporated herein by this reference).</u>
3.3	<u>Certificate of Limited Partnership of the Partnership, dated September 17, 1993 (filed as Exhibit 3.1(i) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 2006 as filed with the SEC on March 13, 2007, and incorporated herein by this reference).</u> (File No. 000-20625).
3.4(i)	<u>Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on May 5, 2014, and incorporated herein by this reference).</u>
3.4(ii)	<u>First Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on August 6, 2014, and incorporated herein by this reference).</u>
3.4(iii)	<u>Second Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on December 16, 2014, and incorporated herein by this reference).</u>
3.4(iv)	<u>Third Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on January 5, 2015, and incorporated herein by this reference).</u>
3.4(v)	<u>Fourth Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on January 29, 2015, and incorporated herein by this reference).</u>
3.4(vi)	<u>Fifth Amendment to Fifth Amended and Restated Agreement of Limited Partnership of Duke Realty Limited Partnership, dated October 24, 2018 (filed as Exhibit 3.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on October 25, 2018, and incorporated herein by this reference).</u>
4.1	<u>Specimen certificate for shares of common stock, \$.01 par value (filed as Exhibit 4.1 to the combined Annual Report on Form 10-K of the General Partner and Partnership as filed with the SEC on February 16, 2018, and incorporated herein by this reference).</u>
4.2(i)	<u>Indenture, dated September 19, 1995, between the Partnership and The First National Bank of Chicago, Trustee (filed as Exhibit 4.1 to the General Partner's Current Report on Form 8-K as filed with the SEC on September 22, 1995, and incorporated herein by this reference).</u> (File No. 001-09044).
4.2(ii)	<u>Twentieth Supplemental Indenture, dated as of July 24, 2006, by and between the Partnership and J.P. Morgan Trust Company, National Association (successor in interest to The First National Bank of Chicago), modifying certain financial covenants contained in Sections 1004 and 1005 of the Indenture, dated September 19, 1995, between the Partnership and The First National Bank of Chicago, Trustee (filed as Exhibit 4.1 to the Partnership's Current Report on Form 8-K as filed with the SEC on July 28, 2006, and incorporated herein by this reference).</u> (File No. 000-20625).
4.3(i)	<u>Indenture, dated as of July 28, 2006, by and between the Partnership and J.P. Morgan Trust Company, National Association (filed as Exhibit 4.1 to the General Partner's automatic shelf registration statement on Form S-3 as filed with the SEC on July 31, 2006, and incorporated herein by this reference).</u> (File No. 333-136173).
4.3(ii)	<u>Ninth Supplemental Indenture, dated September 19, 2012, by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 3.875% Senior Notes Due 2022 (filed as Exhibit 4.1 to the General Partner's Current Report on Form 8-K as filed with the SEC on September 19, 2012, and incorporated herein by this reference).</u>

- 4.3(iii) [Tenth Supplemental Indenture, dated March 15, 2013, by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), including the form of global note evidencing the 3.625% Senior Notes Due 2023 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on March 15, 2013, and incorporated herein by this reference\).](#)
- 4.3(iv) [Twelfth Supplemental Indenture, dated as of November 17, 2014, by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), including the form of global note evidencing the 3.75% Senior Notes Due 2024 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on November 17, 2014, and incorporated herein by this reference\).](#)
- 4.3(v) [Thirteenth Supplemental Indenture, dated as of June 23, 2016, by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), as trustee, including the form of global note evidencing the 3.250% Senior Notes Due 2026 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on June 23, 2016, and incorporated herein by this reference\).](#)
- 4.3(vi) [Fourteenth Supplemental Indenture, dated as of December 12, 2017, by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), including the form of global note evidencing the 3.75% Senior Notes Due 2027 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on December 12, 2017, and incorporated herein by this reference\).](#)
- 4.3(vii) [Fifteenth Supplemental Indenture, dated as of September 11, 2018, by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), including the form of global note evidencing the 4.000% Senior Notes Due 2028 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on September 11, 2018, and incorporated herein by this reference\).](#)
- 4.3(viii) [Sixteenth Supplemental Indenture, dated as of November 15, 2019 by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), including the form of global note evidencing the 2.875% Senior Notes Due 2029 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on November 15, 2019, and incorporated herein by this reference\).](#)
- 4.3(ix) [Seventeenth Supplemental Indenture, dated as of February 21, 2020 by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), including the form of global note evidencing the 3.05% Senior Notes Due 2050 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership, filed with the SEC on February 21, 2020, and incorporated herein by this reference\).](#)
- 4.3(x) [Eighteenth Supplemental Indenture, dated as of June 29, 2020 by and between the Partnership and The Bank of New York Mellon Trust Company, N.A. \(as successor to J.P. Morgan Trust Company, National Association\), including the form of global note evidencing the 1.75% Senior Notes Due 2030 \(filed as Exhibit 4.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership, filed with the SEC on June 29, 2020, and incorporated herein by this reference\).](#)
- 4.4 [Description of Securities \(filed as Exhibit 4.4 to the combined Annual Report on Form 10-K of the General Partner and Partnership as filed with the SEC on February 25, 2020, and incorporated herein by this reference\).](#)
- 10.1(i) [The General Partner's 2015 Long-Term Incentive Plan \(filed as Exhibit 10.1 to the General Partner's Current Report on Form 8-K as filed with the SEC on May 4, 2015, and incorporated herein by this reference\).#](#)
- 10.1(ii) [Form of LTIP Unit Award Agreement \(filed as Exhibit 10.1 to the combined Quarterly Report on Form 10-Q of the General Partner and the Partnership as filed with the SEC on May 1, 2020, and incorporated herein by this reference\). #](#)
- 10.1(iii) [Form of Restricted Stock Unit Award Certificate for non-employee directors under the General Partner's 2015 Long-Term Incentive Plan \(filed as Exhibit 10.2 to the combined Quarterly Report on Form 10-Q of the General Partner and the Partnership as filed with the SEC on May 1, 2020, and incorporated herein by this reference\). #](#)
- 10.1(iv) [Form of Restricted Stock Unit Award Certificate under the General Partner's 2015 Long-Term Incentive Plan \(filed as Exhibit 10.3 to the combined Quarterly Report on Form 10-Q of the General Partner and the Partnership as filed with the SEC on May 1, 2020, and incorporated herein by this reference\). #](#)
- 10.2(i) [The General Partner's 2000 Performance Share Plan, Amended and Restated as of January 30, 2008, a sub-plan of the 2015 Long-Term Incentive Plan \(filed as Exhibit 10.4\(i\) to the combined Annual Report on Form 10-K of the General Partner and the Partnership as filed with the SEC on February 22, 2013, and incorporated herein by this reference\).#](#)

- 10.2(ii) [Amendment to the 2004 Award Agreement under the General Partner's 2000 Performance Share Plan \(filed as Exhibit 10.4\(ii\) to the combined Annual Report on Form 10-K of the General Partner and the Partnership as filed with the SEC on February 22, 2013, and incorporated herein by this reference\).](#)#
- 10.3(i) [The General Partner's 2010 Performance Share Plan, a sub-plan of the 2015 Long-Term Incentive Plan \(filed as Exhibit 10.5\(i\) to the combined Annual Report on Form 10-K of the General Partner and the Partnership as filed with the SEC on February 22, 2013, and incorporated herein by this reference\).](#)#
- 10.3(ii) [First Amendment to the General Partner's 2010 Performance Share Plan, a sub-plan of the 2015 Long-Term Incentive Plan \(filed as Exhibit 10.1 to the General Partner's Current Report on Form 8-K as filed with the SEC on January 29, 2015, and incorporated herein by this reference\).](#)#
- 10.3(iii) [Form of Award Certificate under the General Partner's 2010 Performance Share Plan, a sub-plan of the 2015 Long-Term Incentive Plan \(filed as Exhibit 10.4 to the combined Quarterly Report on Form 10-Q of the General Partner and the Partnership as filed with the SEC on May 1, 2020, and incorporated herein by this reference\).](#)#
- 10.3(iv) [Form of 2010 Performance Share Plan LTIP Unit Award Agreement \(filed as Exhibit 10.5 to the combined Quarterly Report on Form 10-Q of the General Partner and the Partnership as filed with the SEC on May 1, 2020, and incorporated herein by this reference\).](#)#
- 10.4(i) [Executives' Deferred Compensation Plan of Duke Realty Services Limited Partnership, Amended and Restated as of December 5, 2007 \(filed as Exhibit 10.13\(i\) to the combined Annual Report on Form 10-K of the General Partner and the Partnership as filed with the SEC on February 22, 2013, and incorporated herein by this reference\).](#)#
- 10.4(ii) [Amendment Number One to the Executives' Deferred Compensation Plan of Duke Realty Services Limited Partnership, Amended and Restated as of December 5, 2007 \(filed as Exhibit 10.13\(ii\) to the combined Annual Report on Form 10-K of the General Partner and the Partnership as filed with the SEC on February 22, 2013, and incorporated herein by this reference\).](#)#
- 10.5 [The General Partner's Directors' Deferred Compensation Plan, Amended and Restated as of January 30, 2008 \(filed as Exhibit 10.14 to the combined Annual Report on Form 10-K of the General Partner and the Partnership as filed with the SEC on February 22, 2013, and incorporated herein by this reference\).](#)#
- 10.6 [The General Partner's 2015 Non-Employee Directors Compensation Plan, a sub-plan of the 2015 Long-Term Incentive Plan \(filed as Exhibit 10.5 to the combined Quarterly Report on Form 10-Q of the General Partner and the Partnership, as filed with the SEC on May 1, 2015, and incorporated herein by this reference\).](#)#
- 10.7 [Form of Amended and Restated Severance Agreement between the Company and its executive officers \(filed as Exhibit 10.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on January 31, 2019, and incorporated herein by this reference\).](#)#
- 10.8 [Amended and Restated Revolving Credit Agreement, dated October 11, 2017, by and among the Partnership, the General Partner, J.P. Morgan Chase Bank, N.A., Wells Fargo Securities, LLC, the Bank of Nova Scotia, Regions Capital Markets, Division of Regions bank and the several banks, financial institutions and other entities from time to time parties thereto as lenders \(filed as Exhibit 10.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on October 12, 2017, and incorporated herein by this reference\).](#)
- 10.9 [Amended and Restated Guaranty, dated October 11, 2017 by the General Partner \(filed as Exhibit 10.2 to the Combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on October 12, 2017, and incorporated herein by this reference\).](#)
- 10.10 [Equity Distribution Agreement, dated August 2, 2019, by and among the General Partner, the Partnership, BTIG LLC, Citigroup Global Markets Inc., Jefferies LLC, Morgan Stanley & Co. LLC, Regions Securities LLC, SunTrust Robinson Humphrey, Inc., UBS Securities LLC, and Wells Fargo Securities, LLC \(filed as Exhibit 1.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on August 2, 2019, and incorporated herein by this reference\).](#)

21.1	<u>List of the Company's Subsidiaries.*</u>
23.1	<u>Consent of KPMG LLP relating to the General Partner.*</u>
23.2	<u>Consent of KPMG LLP relating to the Partnership.*</u>
24.1	<u>Executed Powers of Attorney of certain directors.*</u>
31.1	<u>Rule 13a-14(a) Certification of the Chief Executive Officer of the General Partner.*</u>
31.2	<u>Rule 13a-14(a) Certification of the Chief Financial Officer of the General Partner.*</u>
31.3	<u>Rule 13a-14(a) Certification of the Chief Executive Officer for the Partnership.*</u>
31.4	<u>Rule 13a-14(a) Certification of the Chief Financial Officer for the Partnership.*</u>
32.1	<u>Section 1350 Certification of the Chief Executive Officer of the General Partner. * **</u>
32.2	<u>Section 1350 Certification of the Chief Financial Officer of the General Partner. * **</u>
32.3	<u>Section 1350 Certification of the Chief Executive Officer for the Partnership. * **</u>
32.4	<u>Section 1350 Certification of the Chief Financial Officer for the Partnership. * **</u>
99.1	<u>Federal Income Tax Considerations.*</u>
101.Def	Definition Linkbase Document
101.Pre	Presentation Linkbase Document
101.Lab	Labels Linkbase Document
101.Cal	Calculation Linkbase Document
101.Sch	Schema Document
101.Ins	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

Represents management contract or compensatory plan or arrangement.

* Filed herewith.

** The certifications attached as Exhibits 32.1, 32.2, 32.3 and 32.4 accompany this Report and are "furnished" to the Securities and Exchange Commission pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by the General Partner or the Partnership, respectively, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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

SIGNATURES

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

DUKE REALTY CORPORATION

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer
(Principal Executive Officer)

/s/ Mark A. Denien

Mark A. Denien
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

DUKE REALTY LIMITED PARTNERSHIP

By: DUKE REALTY CORPORATION, its general partner

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer of the General Partner
(Principal Executive Officer)

/s/ Mark A. Denien

Mark A. Denien
Executive Vice President and Chief Financial Officer of the General Partner
(Principal Financial and Accounting Officer)

Date: February 19, 2021

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

<u>Signature</u>	<u>Date</u>	<u>Title</u>
<u>/s/ James B. Connor</u> James B. Connor	<u>2/19/2021</u>	Chairman and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Mark A. Denien</u> Mark A. Denien	<u>2/19/2021</u>	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
<u>/s/ John P. Case*</u> John P. Case	<u>2/19/2021</u>	Director
<u>/s/ Ngaire E. Cuneo*</u> Ngaire E. Cuneo	<u>2/19/2021</u>	Director
<u>/s/ Charles R. Eitel*</u> Charles R. Eitel	<u>2/19/2021</u>	Director
<u>/s/ Tamara D. Fischer*</u> Tamara D. Fischer*	<u>2/19/2021</u>	Director
<u>/s/ Norman K. Jenkins*</u> Norman K. Jenkins	<u>2/19/2021</u>	Director
<u>/s/ Melanie R. Sabelhaus*</u> Melanie R. Sabelhaus	<u>2/19/2021</u>	Director
<u>/s/ Peter M. Scott III*</u> Peter M. Scott III	<u>2/19/2021</u>	Director
<u>/s/ David P. Stockert*</u> David P. Stockert	<u>2/19/2021</u>	Director
<u>/s/ Chris T. Sultemeier*</u> Chris T. Sultemeier	<u>2/19/2021</u>	Director
<u>/s/ Michael E. Szymanczyk*</u> Michael E. Szymanczyk	<u>2/19/2021</u>	Director
<u>/s/ Warren M. Thompson*</u> Warren M. Thompson	<u>2/19/2021</u>	Director
<u>/s/ Lynn C. Thurber*</u> Lynn C. Thurber	<u>2/19/2021</u>	Director

* By James B. Connor, Attorney-in-Fact

/s/ James B. Connor

<u>Subsidiary (1)</u>	<u>State of Incorporation or Organization</u>	<u>Name(s) under which Subsidiary Conducts Business</u>
The financial statements of the following entities were consolidated into the financial statements of the Registrant at December 31, 2020		
Duke Realty Corporation (2):		
Duke Realty Limited Partnership	Indiana	Duke Realty Limited Partnership; Duke Realty of Indiana Limited Partnership (AZ, KY, MO, NC); Duke Indiana Realty Limited Partnership (TX)
Duke Realty Corporation and Duke Realty Limited Partnership:		
Duke Acquisition, Inc.	Georgia	Duke Acquisition, Inc.
Duke Realty Ohio	Indiana	Duke Realty Ohio
Duke Construction Limited Partnership	Indiana	Duke Construction Limited Partnership; Duke Indiana Construction Limited Partnership (FL, NJ); Duke Construction Limited Partnership of Michigan (MI); Duke Indiana Construction (NY); Duke Construction, an Indiana limited partnership (WI); Indiana Construction (AZ)
Duke Realty Construction, Inc.	Indiana	Duke Realty Construction, Inc.
Duke Realty Services, LLC	Indiana	Duke Realty Services, LLC (PA, WA); Duke Realty Services of Indiana, LLC (KY, MO, WI); Duke Realty Services of VA, LLC (VA); Duke Texas Realty Services, LLC (TX)
Duke Realty Services Limited Partnership	Indiana	Duke Realty Services Limited Partnership; Duke Realty Services of Indiana Limited Partnership (AZ, WA)
Duke Business Centers Corporation	Indiana	Duke Business Centers Corporation
Kenwood Office Associates	Ohio	Kenwood Office Associates
Duke Realty Land, LLC	Indiana	Duke Realty Land, LLC
PK-Duke Development, LLC	Indiana	PK-Duke Development, LLC
USLF I REIT, LLC	Delaware	USLF I REIT, LLC
Duke Realty Corporation and Duke Realty Limited Partnership accounted for the following entities on the equity method at December 31, 2020		
B/D Limited Partnership	Indiana	B/D Limited Partnership
Dugan Texas LLC	Delaware	Dugan Texas LLC
Lamida Group, L.L.C.	Indiana	Lamida Group, L.L.C.
Cincinnati Development Group/Other Ventures LLC	Ohio	Cincinnati Development Group/Other Ventures LLC
AD West End, LLC	Indiana	AD West End, LLC
Browning/Duke, LLC	Delaware	Browning/Duke, LLC
Browning/Duke II, LLC	Delaware	Browning/Duke II, LLC
DRCS, LLC	Delaware	DRCS, LLC
Lafayette Real Estate LLC	Delaware	Lafayette Real Estate LLC
Hangar, LLC	Indiana	Hangar, LLC
AP Anson 7B, LLC	Delaware	AP Anson 7B, LLC
AP Midwest 8, LLC	Delaware	AP Midwest 8, LLC
Duke/Allpoints Indy, LLC	Delaware	Duke/Allpoints Indy, LLC
AireCorr, LLC	Indiana	Airecorr, LLC

(1) The names of certain subsidiaries which, if considered in the aggregate as a single subsidiary, would not constitute a “significant subsidiary”, have been omitted pursuant to Item 601(b)(21) (ii) of Regulation S-K.

(2) Duke Realty Corporation is the parent of 149 wholly owned subsidiaries that are organized and operated in the United States, and are in the real estate ownership, operating, and development business.

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Duke Realty Corporation:

We consent to the incorporation by reference in the registration statements on Form S-3 (No. 333-232816, No. 333-224538, No. 333-128132, No. 333-108556, No. 333-70678, No. 333-59138, No. 333-51344, No. 333-39498, No. 333-35008, No. 333-85009, No. 333-82063, No. 333-66919, No. 333-50081, No. 333-26833, No. 333-24289 and No. 033-64659), Form S-4 (No. 333-77645) and Form S-8 (No. 333-205981, No. 333-185583, No. 333-160960, No. 333-128133, No. 333-124364, No. 333-113907, No. 333-59508, No. 333-35162, No. 333-39965 and No. 033-55727) of Duke Realty Corporation of our report dated February 19, 2021, with respect to the consolidated balance sheets of Duke Realty Corporation and subsidiaries as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, cash flows, and changes in equity for each of the years in the three-year period ended December 31, 2020, the related notes and financial statement schedule III, and the effectiveness of internal control over financial reporting as of December 31, 2020, which report appears in the December 31, 2020 combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership.

/s/ KPMG LLP

Indianapolis, Indiana

February 19, 2021

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Duke Realty Corporation:

We consent to the incorporation by reference in the registration statement on Form S-3 No. 333-224538-01 of Duke Realty Limited Partnership of our report dated February 19, 2021, with respect to the consolidated balance sheets of Duke Realty Limited Partnership and subsidiaries as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, cash flows, and changes in equity for each of the years in the three-year period ended December 31, 2020, the related notes and financial statement schedule III, and the effectiveness of internal control over financial reporting as of December 31, 2020, which report appears in the December 31, 2020 combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership.

/s/ KPMG LLP

Indianapolis, Indiana
February 19, 2021

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ John P. Case

John P. Case

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, her attorneys-in-fact and agents, with full power of substitution and resubstitution for her in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Ngaire E. Cuneo

Ngaire E. Cuneo

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Charles R. Eitel

Charles R. Eitel

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, her attorneys-in-fact and agents, with full power of substitution and resubstitution for her in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Tamara D. Fischer

Tamara D. Fischer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Norman K. Jenkins

Norman K. Jenkins

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, her attorneys-in-fact and agents, with full power of substitution and resubstitution for her in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s / Melanie R. Sabelhaus

Melanie R. Sabelhaus

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Peter M. Scott III

Peter M. Scott III

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ David P. Stockert

David P. Stockert

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Chris T. Sultemeier

Chris T. Sultemeier

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Michael E. Szymanczyk

Michael E. Szymanczyk

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, his attorneys-in-fact and agents, with full power of substitution and resubstitution for him in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Warren M. Thompson
Warren M. Thompson

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints James B. Connor, Mark A. Denien, and Ann C. Dee, and each of them, her attorneys-in-fact and agents, with full power of substitution and resubstitution for her in any and all capacities, to sign the combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership for the year ended December 31, 2020, and any amendment thereof, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each of such attorneys-in-fact and agents or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Dated: February 19, 2021

/s/ Lynn C. Thurber

Lynn C. Thurber

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James B. Connor, certify that:

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

Date: February 19, 2021

/s/ James B. Connor

James B. Connor

Chairman and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Mark A. Denien, certify that:

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

Date: February 19, 2021

/s/ Mark A. Denien

Mark A. Denien

Executive Vice President and Chief Financial Officer

DUKE REALTY LIMITED PARTNERSHIP
CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, James B. Connor, certify that:

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

Date: February 19, 2021

/s/ James B. Connor

James B. Connor

Chairman and Chief Executive Officer of the General Partner

DUKE REALTY LIMITED PARTNERSHIP
CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Mark A. Denien, certify that:

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

Date: February 19, 2021

/s/ Mark A. Denien

Mark A. Denien

Executive Vice President and Chief Financial Officer of the General Partner

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Realty Corporation (the “General Partner”) on Form 10-K for the year ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James B. Connor, Chairman and Chief Executive Officer of the General Partner, certify, pursuant to 18 U.S.C. § Section 1350, as adopted pursuant to § Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the General Partner.

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer
Date: February 19, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Duke Realty Corporation, and will be retained by Duke Realty Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Realty Corporation (the “General Partner”) on Form 10-K for the year ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark A. Denien, Executive Vice President and Chief Financial Officer of the General Partner, certify, pursuant to 18 U.S.C. § Section 1350, as adopted pursuant to § Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the General Partner.

/s/ Mark A. Denien

Mark A. Denien

Executive Vice President and Chief Financial Officer

Date: February 19, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Duke Realty Corporation, and will be retained by Duke Realty Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Realty Limited Partnership (the “Partnership”) on Form 10-K for the year ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James B. Connor, Chairman and Chief Executive Officer of Duke Realty Corporation, the general partner of the Partnership (the “General Partner”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ James B. Connor

James B. Connor

Chairman and Chief Executive Officer of the General Partner

Date: February 19, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Duke Realty Limited Partnership, and will be retained by Duke Realty Limited Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Realty Limited Partnership (the “Partnership”) on Form 10-K for the year ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark A. Denien, Executive Vice President and Chief Financial Officer of Duke Realty Corporation, the general partner of the Partnership (the “General Partner”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Mark A. Denien

Mark A. Denien

Executive Vice President and Chief Financial Officer of the General Partner

Date: February 19, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Duke Realty Limited Partnership, and will be retained by Duke Realty Limited Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

THE FOLLOWING SUMMARY UPDATES AND SUPERCEDES (1) THE DISCLOSURE CONTAINED UNDER THE CAPTION “FEDERAL INCOME TAX CONSIDERATIONS” IN THE PROSPECTUS DATED JULY 25, 2019, WHICH IS PART OF THE REGISTRATION STATEMENT ON FORM S-3 (FILE NO. 333-232816), AS AMENDED OR SUPPLEMENTED, (2) THE DISCLOSURE CONTAINED UNDER THE CAPTION “FEDERAL INCOME TAX CONSIDERATIONS” IN THE PROSPECTUS DATED APRIL 30, 2018, WHICH IS A PART OF THE REGISTRATION STATEMENT ON FORM S-3 (FILE NO. 333-224538), AS AMENDED OR SUPPLEMENTED, AND (3) SIMILARLY TITLED SECTIONS IN THE PROSPECTUSES CONTAINED IN THE REGISTRATION STATEMENTS ON FORM S-3 (FILE NOS. 333-128132, 333-108556, 333-70678, 333-59138, 333-51344, 333-39498, 333-35008, 333-85009, 333-82063, 333-66919, 333-50081, 333-26833, 333-24289, AND 033-64659), AS AMENDED OR SUPPLEMENTED. THE AFOREMENTIONED PROSPECTUSES ARE COLLECTIVELY REFERRED TO HEREIN AS THE “PROSPECTUSES”.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain material U.S. federal income tax consequences relating to the taxation of us as a REIT and to the purchase, ownership and disposition of our common stock.

If we offer one or more series of preferred stock or the Operating Partnership offers one or more additional series of debt securities, a prospectus supplement with respect to such offerings will include information about additional material federal income tax consequences to holders of those shares of preferred stock or debt securities.

Because this summary is intended only to address certain material federal income tax consequences relating to the ownership and disposition of our common stock, it may not contain all the information that may be important to you. As you review this discussion, you should keep in mind that:

- The tax consequences to you may vary depending upon your particular tax situation;
- Special rules that we do not discuss below may apply if, for example, you are a tax-exempt organization (except to the extent discussed under “Treatment of Tax-Exempt Shareholders”), a broker-dealer, a non-U.S. person (except to the extent discussed under “Special Tax Considerations for Non-U.S. Shareholders”), a trust, an estate, a regulated investment company, a financial institution, an insurance company, or otherwise subject to special tax treatment under the Internal Revenue Code of 1986, as amended (the “Code”);
- This summary generally does not address state, local or non-U.S. tax considerations;
- This summary deals only with shareholders that hold our stock as “capital assets” within the meaning of Section 1221 of the Code; and
- We do not intend this discussion to be, and you should not construe it as, tax advice.

You should review the following discussion and consult with your own tax advisor to determine the effect of the ownership and disposition of our stock on your individual tax situation, including any state, local or non-U.S. tax consequences.

We base the information in this section on the current Code, current final, temporary and proposed Treasury Regulations, the legislative history of the Code, current administrative interpretations and practices of the Internal Revenue Service (the “IRS”), including its practices and policies as endorsed in private letter rulings, which are not binding on the IRS, and existing court decisions. Future legislation, regulations, administrative interpretations and court decisions could change current law or adversely affect existing interpretations of current law. Any change could apply retroactively. It is possible that the IRS could challenge the statements in this discussion, which do not bind the IRS or the courts, and that a court could agree with the IRS.

Tax legislation commonly referred to as the Tax Cuts and Jobs Act was signed into law on December 22, 2017. The Tax Cuts and Jobs Act made significant changes to the U.S. federal income tax rules for taxation of individuals and corporations, generally effective for taxable years beginning after December 31, 2017. Most of the changes applicable to individuals are temporary and apply only to taxable years beginning after December 31, 2017 and before January 1, 2026. The Treasury Department and the IRS have issued extensive guidance on various aspects of the Tax Cuts and Jobs Act, but guidance on additional issues, finalization of proposed guidance and possible technical corrections may adversely affect us or our shareholders. Federal legislation intended to ameliorate the economic impact of the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), has been enacted that makes technical corrections to, or modifies on a temporary basis, certain of the provisions of the Tax Cut and Jobs Act, and additional such legislation may be enacted in the future. In addition, further changes to the tax laws, unrelated to the Tax Cuts and Jobs Act are possible. Prospective shareholders are urged to consult with their tax advisors with respect to the effects of the Tax Cuts and Jobs Act and any other regulatory or administrative developments and proposals and their potential effect on investment in our common stock.

We urge you, as a prospective shareholder, to consult your tax advisor regarding the specific tax consequences to you of a purchase of our common stock, the ownership and sale of our common stock and of our election to be taxed as a REIT, including the federal, state, local, non-U.S. and other tax consequences of such purchase, ownership, sale and election, the changes made in the Tax Cuts and Jobs Act and potential changes in applicable tax laws.

Taxation of Our Company as a REIT

We believe that, commencing with our taxable year ended December 31, 1986, we have been organized and have operated in such a manner as to qualify for taxation as a REIT under the Code, and we intend to continue to be organized and to operate in such a manner. However, we cannot assure you that we have operated or will continue to operate in a manner that will permit us to qualify or remain qualified as a REIT. This section discusses the laws governing the federal income tax treatment of a REIT and the holders of its common stock. These laws are highly technical and complex.

Alston & Bird LLP has acted as our tax counsel in connection with the filing of each of the Prospectuses. Alston & Bird LLP has rendered an opinion to us in connection with the filing of each of the Prospectuses to the effect that, commencing with our taxable year ended December 31, 1999, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and our actual and proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Code. It must be emphasized that each such opinion is based on various assumptions and representations as to factual matters, including representations made by us in a factual certificate provided by one of our officers. In addition, each such opinion is based upon our factual representations set forth herein and in each of the Prospectuses, as applicable, and does not foreclose the possibility that we may have to pay a deficiency dividend, or an excise or penalty tax, which could be significant in amount, in order to maintain our REIT qualification. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, which are discussed below, including through actual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which have not been and will not be reviewed by Alston & Bird LLP. Accordingly, no assurance can be given that our actual results of operation for any particular taxable year have satisfied or will satisfy those requirements. Further, the anticipated U.S. federal income tax treatment described herein may be changed, perhaps retroactively, by legislative, administrative or judicial action at any time. Alston & Bird LLP has no obligation to update its opinion subsequent to the date of such opinion.

Federal Income Taxation of Our Company

If we have qualified and continue to qualify for taxation as a REIT, we generally will not be subject to federal corporate income tax on that portion of our ordinary income or capital gain that is timely distributed to

shareholders. The REIT provisions of the Code generally allow a REIT to deduct dividends paid to its shareholders, substantially eliminating the federal “double taxation” on earnings (once at the corporate level when earned and once again at the shareholder level when distributed) that usually results from investments in a corporation. Nevertheless, we will be subject to federal income tax as follows:

- We will be taxed at regular corporate rates on our undistributed “REIT taxable income,” including undistributed net capital gains.
- If we have net income from the sale or other disposition of “foreclosure property” that we hold primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, we will be subject to tax at the highest corporate income tax rate on such income.
- If we have net income from “prohibited transactions” (which are, in general, certain sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business), unless we qualify for a safe harbor exception, such income will be subject to a 100% tax.
- If we should fail to satisfy either the 75% gross income test or the 95% gross income test (discussed below) but have nonetheless maintained our qualification as a REIT because we have met other requirements, we will be subject to a 100% tax on the greater of the amount by which the 75% gross income test was not satisfied or the amount by which the 95% gross income test was not satisfied, in each case, multiplied by a fraction intended to reflect our profitability.
- If (i) we fail to satisfy the asset tests (other than a de minimis failure of the 5% asset test or the 10% vote or value test, as described below under “-Asset Tests”) due to reasonable cause and not to willful neglect, (ii) we dispose of the assets or otherwise comply with such asset tests within six months after the last day of the quarter in which we identify such failure and (iii) we file a schedule with the IRS describing the assets that caused such failure, we will pay a tax equal to the greater of \$50,000 or the net income from the nonqualifying assets during the period in which we failed to satisfy such asset tests multiplied by the highest corporate income tax rate.
- If we fail to satisfy any of the REIT qualification requirements other than the gross income and asset tests and such failure is due to reasonable cause, we may avoid disqualification as a REIT by, among other things, paying a penalty of \$50,000 or more in certain cases.
- If we fail to distribute during each year at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year, and (iii) any undistributed taxable income from prior periods, we will be subject to a 4% excise tax on the excess of this required distribution amount over the amounts actually distributed.
- If we should acquire any asset from a “C” corporation (i.e., a corporation generally subject to full corporate-level tax) in a carryover-basis transaction, no election is made for the transaction to be currently taxable, and we subsequently recognize gain on the disposition of such asset during the five-year period beginning on the date on which we acquired the asset, we generally will be subject to tax at the highest regular corporate income tax rate on the lesser of the amount of gain that we recognize at the time of the disposition and the amount of gain that we would have recognized if we had sold the asset at the time we acquired the asset (the “Built-in Gains Tax”).
- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet recordkeeping requirements intended to monitor our compliance with rules relating to the composition of a REIT’s shareholders.
- If we elect to retain and pay income tax on our net long-term capital gain, a U.S. holder would include its proportionate share of our undistributed long-term capital gain (to the extent we make a timely designation of such gain to the shareholder) in its income and would receive a credit or a refund for its proportionate share of the tax we paid.
- We will be required to pay a 100% tax on any “redetermined rents,” “redetermined deductions,” “excess interest” or “redetermined TRS service income” resulting from non-arm’s length transactions involving our taxable REIT subsidiaries.

In addition, notwithstanding our status as a REIT, we may also have to pay certain state and local income taxes, because not all states and localities treat REITs in the same manner that they are treated for U.S. federal income tax purposes. Moreover, as further described below, any domestic taxable REIT subsidiary in which we own an interest will be subject to U.S. federal corporate income tax on its net income.

Requirements for Qualification

To qualify as a REIT, we must elect to be treated as a REIT and must meet the requirements, discussed below, relating to our organization, sources of income, nature of assets and distributions.

The Code defines a REIT as a corporation, trust or association:

- That is managed by one or more trustees or directors;
- The beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest;
- That would be taxable as a domestic corporation but for application of the REIT rules;
- That is neither a financial institution nor an insurance company subject to certain provisions of the Code;
- That has at least 100 persons as beneficial owners;
- During the last half of each taxable year, not more than 50% in value of the outstanding stock of which is owned, directly or indirectly, through the application of certain attribution rules, by five or fewer individuals (as defined in the Code to include certain entities);
- That files an election or continues such election to be taxed as a REIT on its return for each taxable year;
- That uses the calendar year as its taxable year; and
- That satisfies the gross income tests, the asset tests, and the distribution tests, described below.

The Code provides that REITs must satisfy all of the first four preceding requirements during the entire taxable year. REITs must satisfy the fifth requirement during at least 335 days of a taxable year of 12 months or during a proportionate part of a taxable year of less than 12 months. For purposes of the sixth requirement, the beneficiaries of a pension or profit-sharing trust described in Section 401(a) of the Code, and not the pension or profit-sharing trust itself, are treated as REIT shareholders. We will be treated as having met the sixth requirement if we comply with certain Treasury Regulations for ascertaining the ownership of our stock for such year and if we did not know (or after the exercise of reasonable diligence would not have known) that the sixth condition was not satisfied for such year. Our articles of incorporation currently include restrictions regarding transfer of our stock that assist us in continuing to satisfy the fifth and sixth of these requirements.

If a REIT owns a corporate subsidiary that is a “qualified REIT subsidiary,” the separate existence of that subsidiary will be disregarded for federal income tax purposes. Generally, a qualified REIT subsidiary is a corporation, other than a taxable REIT subsidiary, all the capital stock of which is owned by the REIT. Other wholly owned entities, including single member limited liability companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT gross income and asset tests. All assets, liabilities and items of income, deduction and credit of the qualified REIT subsidiary will be treated as assets, liabilities and items of income, deduction and credit of the REIT itself. Our qualified REIT subsidiaries will not be subject to federal corporate income taxation, although they may be subject to state and local taxation in some states. All assets, liabilities and items of income, deduction and credit of other disregarded subsidiaries will be treated as assets, liabilities and items of income, deduction and credit of their sole member and may be reattributed if that sole member is a partnership or another disregarded entity.

A REIT that is a partner in a partnership is deemed to own its proportionate share of the assets of the partnership and to earn its proportionate share of the partnership's income, with its proportionate share in both cases based on its relative capital interest in the partnership. (For purposes of this discussion, references to a "partnership" include a limited liability company or other entity treated as a partnership for U.S. federal income tax purposes, and references to a "partner" include a member of such a limited liability company or other such entity.) However, solely for purposes of the 10% value test described below (see "-Asset Tests"), the determination of a REIT's interest in a partnership's assets will be based on the REIT's proportionate interest in any securities issued by the partnership, excluding for these purposes, certain excluded securities as described in the Code. The character of the assets and gross income of the partnership retain the same character in the hands of the REIT for purposes of the gross income and asset tests. Thus, our proportionate share of the assets, liabilities and items of income of the Operating Partnership (including the Operating Partnership's share of the assets, liabilities and items of income with respect to any partnership in which it holds an interest) is treated as our assets, liabilities and items of income for purposes of applying the requirements described herein.

We have control of the Operating Partnership and intend to operate it in a manner consistent with the requirements for our qualification as a REIT. If we become a limited partner in any partnership and such partnership takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such partnership. In addition, it is possible that a partnership could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or take other corrective action on a timely basis. In such a case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

A REIT is not treated as holding the assets of a taxable REIT subsidiary or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by the subsidiary is an asset in the hands of the REIT for purposes of the REIT asset tests, and the REIT recognizes as income the dividends, if any, that it receives from the subsidiary for purposes of the REIT gross income tests. Because we would not include the assets and income of a taxable REIT subsidiary in determining our compliance with the REIT gross income and asset tests, we may use taxable REIT subsidiaries to undertake indirectly activities that the REIT rules might otherwise preclude us from engaging in directly or through pass-through subsidiaries (e.g. activities that give rise to certain categories of income such as management fees).

We own direct or indirect interests in a number of taxable REIT subsidiaries, such as Duke Realty Construction, Inc. Our taxable REIT subsidiaries are entities that are classified as corporations for U.S. federal income tax purposes in which Duke Realty directly or indirectly owns stock and that elect, together with us, to be treated as our taxable REIT subsidiaries. In addition, if one of our taxable REIT subsidiaries owns, directly or indirectly, securities representing 35% or more of the vote or value of a subsidiary corporation, that subsidiary will also be treated as our taxable REIT subsidiary. A taxable REIT subsidiary is subject to federal income tax, and state and local income tax where applicable, as a regular "C" corporation.

Generally, a taxable REIT subsidiary may perform certain tenant services without causing us to receive impermissible tenant services income under the REIT gross income tests. However, several provisions regarding the arrangements between a REIT and its taxable REIT subsidiaries are intended to ensure that a taxable REIT subsidiary will be subject to an appropriate level of federal income taxation. We will be required to pay a 100% tax on any "redetermined rents," "redetermined deductions," "excess interest" or "redetermined TRS service income." In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of our tenants by a taxable REIT subsidiary of ours. Redetermined deductions and excess interest generally represent amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of any amounts that would have been paid based on arm's length negotiations. Redetermined TRS service income generally represents income of a taxable REIT subsidiary that is attributable to services provided to us or on our behalf and is understated.

We own and may acquire direct or indirect interests in one or more entities that have elected or will elect to be taxed as REITs under the Code (each, a "Subsidiary REIT"). A Subsidiary REIT is subject to the various REIT

qualification requirements and other limitations described herein that are applicable to us. If a Subsidiary REIT were to fail to qualify as a REIT, then (i) that Subsidiary REIT would become subject to U.S. federal income tax and (ii) the Subsidiary REIT's failure to qualify could have an adverse effect on our ability to comply with the REIT income and asset tests, and thus could impair our ability to qualify as a REIT unless we could avail ourselves of certain relief provisions.

Gross Income Tests. To maintain qualification as a REIT, we must satisfy two gross income requirements. First, we must derive, directly or indirectly, at least 75% of our gross income for each taxable year from investments relating to real property or mortgages on real property, including "rents from real property," gains on disposition of real estate, dividends paid by another REIT and interest on obligations secured by real property or on interests in real property, or from certain types of temporary investments. Second, we must derive at least 95% of our gross income for each taxable year from any combination of income qualifying under the 75% test and dividends, interest and gain from the sale or disposition of stock or securities. Gross income from prohibited transactions, income with respect to certain hedging transactions, and certain foreign currency gains are disregarded in applying the gross income tests.

As noted above, we are subject to a 100% penalty tax on income from prohibited transactions (generally, income derived from the sale of property primarily held for sale to customers in the ordinary course of business). The Code provides a safe harbor that, if met, allows us to avoid being treated as engaged in a prohibited transaction. To meet the safe harbor, among other things, (i) we must have held the property for at least 2 years (and, in the case of property which consists of land or improvements not acquired through foreclosure, we must have held the property for 2 years for the production of rental income) and (ii) during the taxable year the property is disposed of, we must not have made more than 7 property sales or, alternatively, the aggregate adjusted basis or fair market value of all of the properties sold by us during the taxable year must not exceed 10% of the aggregate adjusted basis or 10% of the fair market value, respectively, of all of our assets as of the beginning of the taxable year. However, if the 10% standard is satisfied on average over the three-year period comprised of the taxable year at issue and the two immediately preceding taxable years, the aggregate adjusted basis or fair market value of all of the properties sold by us during the taxable year may be up to 20% of the aggregate adjusted basis or 20% of the fair market value. In certain years, we have made sales that did not qualify for the safe harbor but that we believe were not sales of property held for sale in the ordinary course of business and were not prohibited transactions, and we may make sales in the future that do not satisfy the safe harbors. The IRS could challenge our analysis of the facts and circumstances and treatment of such sales and such challenge could be sustained in a court of law.

Any income from (i) a hedging transaction that is clearly and timely identified and that hedges indebtedness incurred or to be incurred to acquire or carry real estate assets, (ii) a clearly and timely identified transaction entered into primarily to manage the risk of currency fluctuations with respect to any item of income that would qualify under a 75% or the 95% gross income tests, or (iii) a transaction that hedges existing hedging positions after a portion of the hedged indebtedness or property is disposed of will be disregarded (rather than being treated either as qualifying income or non-qualifying income) for purposes of the 75% and the 95% gross income tests. Hedging income that does not meet these requirements will be treated as non-qualifying income for purposes of the 75% and 95% gross income tests.

Any income from foreign currency gain that is "real estate foreign exchange gain" as defined in the Code will be disregarded for purposes of the 75% gross income tests. "Real estate foreign exchange gain" includes foreign currency gains attributable to (i) any item of income or gain that would qualify under the 75% gross income test, (ii) the acquisition or ownership of obligations secured by mortgages on real property or interests in real property, (iii) becoming or being the obligor under obligations secured by mortgages on real property or on interests in real property, (iv) remittances from qualified business units that meet the 75% gross income test for the taxable year and the 75% asset test at the close of each quarter, and (v) any other foreign currency gain as determined by the IRS. "Passive foreign exchange gain" as defined in the Code, will be disregarded for purposes of the 95% gross income test (but will be treated as non-qualifying income for purposes of the 75% gross income test unless also qualifying as real estate foreign exchange gain). "Passive foreign exchange gain" includes foreign currency gains attributable to (i) real estate foreign exchange gain, (ii) any item of income or gain that would qualify under the 95% gross income test, (iii) the acquisition or ownership of obligations, (iv) becoming or being the obligor under the obligations, (v)

distributions of previously taxed earnings and profits from certain foreign corporations, and (vi) any other foreign currency gain as determined by the IRS.

Rents that we receive will qualify as “rents from real property” in satisfying the gross income requirements for a REIT described above only if several conditions are met. First, the amount of rent must not be based in whole or in part on the income or profits of any person but can be based on a fixed percentage of gross receipts or gross sales. Second, “rents from real property” generally excludes any amount received directly or indirectly from any tenant if we, or an owner of 10% or more of our outstanding stock, directly or constructively, own 10% or more of such tenant taking into consideration the applicable attribution rules, which we refer to as a “related party tenant.” Third, if rent is partly attributable to personal property leased in connection with a lease of real property, the portion of the total rent that is attributable to the personal property will not qualify as rents from real property if it exceeds 15% of the total rent received under the lease. Finally, amounts that are attributable to services furnished or rendered in connection with the rental of real property, whether or not separately stated, will not constitute “rents from real property” unless such services are customarily provided in the geographic area. Customary services that are not considered to be provided to a particular tenant (e.g., furnishing heat and light, the cleaning of public entrances, and the collection of trash) can be provided directly by us. Where, on the other hand, such services are provided primarily for the convenience of the tenants or are provided to such tenants, such services must be provided by an independent contractor from whom we do not receive any income or a taxable REIT subsidiary. Non-customary services that are not performed by an independent contractor or taxable REIT subsidiary in accordance with the applicable requirements will result in impermissible tenant service income to us to the extent of the income earned (or deemed earned) with respect to such services. If the impermissible tenant service income exceeds 1% of our total income from a property, all of the income from that property will fail to qualify as rents from real property. If the total amount of impermissible tenant services does not exceed 1% of our total income from the property, the services will not cause the rent paid by tenants of the property to fail to qualify as rents from real property, but the impermissible tenant services income will not qualify as “rents from real property.”

We do not currently charge and do not anticipate charging rent that is based in whole or in part on the income or profits of any person. We also do not anticipate either deriving rent attributable to personal property leased in connection with real property that exceeds 15% of the total rents or receiving rent from related party tenants.

The Operating Partnership does provide some services with respect to the properties. We believe that the services with respect to the properties that are and will be provided directly and not through an independent contractor or taxable REIT subsidiary are usually or customarily rendered in connection with the rental of space for occupancy only and are not otherwise considered rendered to particular tenants and, therefore, that the provision of such services will not cause rents received with respect to the properties to fail to qualify as rents from real property. Services with respect to the properties that we believe may not be provided by us or the Operating Partnership directly without jeopardizing the qualification of rent as “rents from real property” are and will be performed by independent contractors from whom we derive no income or taxable REIT subsidiaries.

We, through the Operating Partnership, receive fees for property management and brokerage and leasing services provided with respect to some properties not owned entirely by the Operating Partnership. These fees, to the extent paid with respect to the portion of these properties not owned, directly or indirectly, by us, will not qualify under the 75% gross income test or the 95% gross income test. The Operating Partnership also may receive other types of income with respect to the properties it owns that will not qualify for either of these tests. We believe, however, that the aggregate amount of these fees and other non-qualifying income in any taxable year will not cause us to exceed the limits on non-qualifying income under either the 75% gross income test or the 95% gross income test.

If we fail to satisfy the 75% gross income test or the 95% gross income test for any taxable year, we may nevertheless qualify as a REIT for that year if we are eligible for relief under the Code. This relief provision generally will be available if (i) our failure to meet these tests was due to reasonable cause and not due to willful neglect, and (ii) we file a disclosure schedule with the IRS after we determine that we have not satisfied one of the

gross income tests. We cannot state whether in all circumstances we would be entitled to the benefit of this relief provision. For example, if we fail to satisfy the gross income tests because non-qualifying income that we intentionally incur exceeds the limits on such income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause. Even if this relief provision applies, the Code imposes a 100% tax with respect to a portion of the non-qualifying income, as described above.

Asset Tests. At the close of each quarter of our taxable year, we also must satisfy multiple tests relating to the nature and diversification of our assets:

- At least 75% of the value of our total assets must be represented by real estate assets, cash and cash items (including receivables arising in the ordinary course of our business) and government securities. The term “real estate assets” includes real property, personal property that generates rents from real property, certain kinds of mortgage-backed securities and mortgage loans, stock of other REITs, and debt instruments issued by publicly offered REITs.
- No more than 25% of the value of our total assets may be represented by securities other than those in the 75% asset class.

Except for equity investments in REITs or taxable REIT subsidiaries or other securities that qualify as “real estate assets” for purposes of the 75% asset test:

- The value of any one issuer’s securities that we own may not exceed 5% of the value of our total assets;
- We may not own more than 10% of any one issuer’s outstanding voting securities; and
- We may not own more than 10% of the value of the outstanding securities of any one issuer.
- No more than 20% (for any taxable year beginning after December 31, 2017) of our total assets may be represented by securities of one or more taxable REIT subsidiaries.
- Not more than 25% of the value of our assets may consist of nonqualified publicly offered REIT debt instruments.

Certain types of securities are disregarded as securities for purposes of the 10% value limitation discussed above. These include: (i) straight debt securities (including straight debt that provides for certain contingent payments); (ii) any loan to an individual or an estate; (iii) any rental agreement described in Section 467 of the Code, other than with a “related person”; (iv) any obligation to pay rents from real property; (v) certain securities issued by a State or any political subdivision thereof, the District of Columbia, a foreign government, or any political subdivision thereof, or the Commonwealth of Puerto Rico; (vi) any security issued by a REIT; and (vii) any other arrangement that, as determined by the Secretary of the Treasury, is excepted from the definition of a security. In addition, (a) a REIT’s interest as a partner in a partnership is not considered a “security” for purposes of applying the 10% value test to securities issued by the partnership; (b) any debt instrument issued by a partnership (other than straight debt or other excluded security) will not be considered a security issued by the partnership if at least 75% of the partnership’s gross income is derived from sources that would qualify for the 75% gross income test, and (c) any debt instrument issued by a partnership (other than straight debt or other excluded security) will not be considered a security issued by the partnership to the extent of the REIT’s interest as a partner in the partnership. Special look-through rules apply to determine a REIT’s share of securities held by a partnership in which the REIT holds an interest.

We believe that the aggregate value of our securities issued by our taxable REIT subsidiaries does not exceed 20% of the aggregate value of our gross assets. With respect to each issuer in which we currently own an interest that does not qualify as a REIT or a taxable REIT subsidiary, we believe that the value of the securities, including debt, of any such issuer owned (or treated as owned) by us does not exceed 5% of the total value of our assets and that we comply with the 10% voting securities limitation and 10% value limitation with respect to each such issuer. We do not appraise the securities we hold, and the IRS could disagree with our determinations.

After initially meeting the asset tests at the close of any quarter, we will not lose our qualification as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If the failure to satisfy the asset tests results from an acquisition of securities or other property during a quarter, we can cure the failure by disposing of a sufficient amount of non-qualifying assets within 30 days after the close of that quarter. We intend to maintain adequate records of the value of our assets to ensure compliance with the asset tests and to take such other actions within 30 days after the close of any quarter as necessary to cure any noncompliance.

After the 30-day cure period, a REIT may avoid disqualification as a REIT by disposing of sufficient assets to cure such a violation that does not exceed the lesser of 1% of the REIT's assets at the end of the relevant quarter or \$10,000,000, provided that the disposition occurs within six months following the last day of the quarter in which the REIT first identified the assets. For violations of any of the REIT asset tests due to reasonable cause that are larger than this amount, a REIT may avoid disqualification as a REIT after the 30-day cure period, if such failure was due to reasonable cause and not due to willful neglect, by taking certain steps, including the disposition of sufficient assets within the six-month period described above to meet the applicable asset test, paying a tax equal to the greater of \$50,000 or the highest corporate income tax rate multiplied by the net income generated by the non-qualifying assets during the period of time that the assets were held as non-qualifying assets, and filing a schedule with the IRS that describes the non-qualifying assets.

Annual Distribution Requirement

To qualify for taxation as a REIT, the Code requires that we make distributions (other than capital gain distributions) to our shareholders in an amount at least equal to (a) the sum of: (1) 90% of our "REIT taxable income" (computed without regard to the dividends paid deduction and our net capital gain), and (2) 90% of our net income, if any, from foreclosure property in excess of the special tax on income from foreclosure property, minus (b) the sum of certain items of non-cash income.

We generally must pay distributions in the taxable year to which they relate. Dividends paid in the subsequent year, however, will be treated as if paid in the prior year for purposes of the prior year's distribution requirement if the dividends satisfy one of the following two sets of criteria. First, if we declare a dividend in October, November or December of any year with a record date in one of these months and pay the dividend in January of the following year, we will be treated as having paid, and our shareholders will be treated as having received, the dividend on December 31 of the year in which the dividend was declared. Second, distributions may be made in the following year if the dividends are declared before we timely file our tax return for the year and are made before the first regular dividend payment made after such declaration. These distributions are taxable to our shareholders in the year in which paid, even though the distributions relate to our prior taxable year for purposes of the 90% distribution requirement.

Even if we satisfy the foregoing distribution requirement, we will be subject to regular corporate income tax thereon to the extent that we do not distribute all of our net capital gain or "REIT taxable income" as adjusted. Furthermore, if we fail to distribute at least the sum of 85% of our ordinary income for that year; 95% of our capital gain net income for that year; and any undistributed taxable income from prior periods, we would be subject to a 4% excise tax on the excess of the required distribution over the amounts actually distributed.

In addition, if, during the five-year recognition period, we dispose of any asset subject to the Built-in Gains Tax Rules described above, we must, pursuant to guidance issued by the IRS, distribute at least 90% of the built-in gain (after tax), if any, recognized on the disposition of the asset.

We may elect to retain rather than distribute all or a portion of our net capital gains and pay the tax on the gains. In that case, we may elect to have our shareholders include their proportionate share of the undistributed net capital gains in income as long-term capital gains and receive a credit for their share of the tax we paid. For purposes of the 4% excise tax described, any such retained amounts would be treated as having been distributed.

We intend to make timely distributions sufficient to satisfy the annual distribution requirement and, generally, avoid income and excise taxes. In this regard, the partnership agreement of the Operating Partnership authorizes us, as general partner, to take such steps as may be necessary to cause the Operating Partnership to distribute to its partners an amount sufficient to permit us to meet the distribution requirement and to avoid income and excise tax.

We expect that our REIT taxable income will be less than our cash flow due to the allowance of depreciation and other non-cash charges in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the 90% distribution requirement. It is possible, however, that we, from time to time, may not have sufficient cash or other liquid assets to satisfy the 90% distribution requirement or to distribute such greater amount as may be necessary to avoid income and excise taxation. In this event, we may find it necessary to arrange for borrowings or, if possible, pay taxable stock dividends in order to satisfy the distribution requirement or avoid such income or excise taxation. Under IRS Revenue Procedure 2017-45, as a publicly offered REIT, we may give shareholders a choice, subject to various limits and requirements, of receiving a dividend in cash or in our common stock. As long as at least 20% of the total dividend is available in cash and certain other requirements are satisfied, the IRS will treat the stock distribution as a dividend to the extent applicable rules treat such distribution as being made out of our earnings and profits.

The Tax Cuts and Jobs Act contained provisions that could impact the way that REITs calculated their REIT taxable income and their subsidiaries calculated their taxable income in taxable years beginning after December 31, 2017. Under the Tax Cuts and Jobs Act, we are required to accrue certain items of income before they would otherwise be taken into income under the Code if they are taken into account in our applicable financial statements. We have not yet identified any material import of this provision. Additionally, the Tax Cuts and Jobs Act limited business interest deductions for businesses, whether in corporate or pass-through form, to, generally, the sum of the entity's business interest income for the tax year and 30% of the entity's "adjusted taxable income" (as defined for purposes of that provision) for the tax year. The CARES Act increased the 30% limitation to 50% for taxable years that began in 2019 or 2020 and permitted an entity to elect to use its 2019 adjusted taxable income to calculate the applicable limitation for its 2020 taxable year. In the case of partnerships, unless a partner elects otherwise, 50% of its share of a partnership's "excess business interest" for its 2019 taxable year will be treated as paid by the partner in its 2020 taxable year and will not be subject to any limitation. Treasury Regulations define interest expansively to cover various amounts not otherwise treated as interest. This limitation on business interest deductions could apply to any entity that is not disregarded for U.S. federal income tax purposes, including the Operating Partnership, underlying partnerships and our taxable REIT subsidiaries. This limitation does not apply to an "electing real property trade or business." One consequence of electing to be an "electing real property trade or business" is that accelerated expensing rules under the Tax Cuts and Jobs Act do not apply to certain property used in an electing real property trade or business. In addition, in the case of an electing real property trade or business, real property and "qualified improvement property" are depreciated under the alternative depreciation system over longer useful lives. We do not expect this rule to limit our deduction of our interest expense. In addition, under amendments made by the Tax Cuts and Jobs Act, the deduction for any net operating loss carryforwards arising from losses incurred in taxable years beginning after December 31, 2017 was limited to 80% of annual taxable income, and any unused portion of such losses was prohibited from being carried back but permitted to be carried forward indefinitely. The CARES Act repealed the 80% limitation for taxable years that began before January 1, 2021 and permitted C corporations, such as our taxable REIT subsidiaries, to carry back to each of the five tax years preceding the tax year of such loss NOLs incurred in 2018, 2019 or 2020. However, the CARES Act prevents REITs from carrying back any REIT year net operating losses to a preceding year.

In the event that we are subject to an adjustment (as defined in Section 860(d)(2) of the Code) to our REIT taxable income resulting from an adverse determination by either a final court decision, a closing agreement between us and the IRS under Section 7121 of the Code, or an agreement as to tax liability between us and an IRS district director, or an amendment or supplement to our federal income tax return for the applicable tax year, we may be able to rectify any resulting failure to satisfy the 90% annual distribution requirement by paying "deficiency dividends" to shareholders that relate to the adjusted year but that are paid in a subsequent year. To qualify as a deficiency dividend, we must make the distribution within 90 days of the adverse determination and we also must

satisfy other procedural requirements. If we satisfy the statutory requirements of Section 860 of the Code, a deduction is allowed for any deficiency dividend we subsequently paid to offset an increase in our REIT taxable income resulting from the adverse determination. We, however, must pay statutory interest on the amount of any deduction taken for deficiency dividends to compensate for the deferral of the tax liability.

Failure to Qualify

A violation of a REIT requirement other than the gross income tests or the asset tests will not cause us to lose our qualification as a REIT if the violation is due to reasonable cause and not due to willful neglect and we pay a penalty of \$50,000 for each failure to satisfy the provision. If we fail to qualify for taxation as a REIT in any taxable year and the relief provisions do not apply, we will be subject to tax on our taxable income at regular corporate income tax rates. Distributions to shareholders in any year in which we fail to qualify as a REIT will not be deductible by us nor will they be required to be made. In that event, to the extent of our positive current and accumulated earnings and profits, distributions to shareholders will be dividends, generally taxable at long-term capital gain tax rates (as described below), subject to certain limitations of the Code, and corporate shareholders may be eligible for the dividends-received deduction. Unless we are entitled to relief under specific statutory provisions, we also will be disqualified from taxation as a REIT for the four taxable years following the year during which we lost our REIT qualification. We cannot state whether in all circumstances we would be entitled to such statutory relief. For example, if we fail to satisfy the gross income tests because non-qualifying income that we intentionally incur exceeds the limit on such income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause.

Taxation of U.S. Shareholders

As used herein, the term “U.S. Shareholder” means a holder of our stock that, for federal income tax purposes:

- Is a citizen or resident of the United States;
- Is a corporation (including an entity treated as a corporation for federal income tax purposes) created or organized in or under the laws of the United States or of any political subdivision thereof;
- Is an estate, the income of which is subject to federal income taxation regardless of its source;
- Is any trust if a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust; or
- Is an eligible trust that elects to be taxed as a U.S. person under applicable Treasury Regulations.

For U.S. federal income tax purposes, income earned through an entity that is classified as a partnership for U.S. federal income tax purposes, regardless of where it was organized, is generally attributed to its partners. Accordingly, the U.S. federal income tax treatment of a partner in a partnership that holds our stock will generally depend on the status of the partner and the activities of the partnership. Prospective shareholders that are partnerships should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of our stock.

For any taxable year for which we qualify for taxation as a REIT, taxable U.S. Shareholders will be taxed as discussed below.

Distributions Generally. The federal income tax treatment of our distributions depends upon (i) the extent to which they are paid from our current or accumulated earnings and profits and, accordingly, treated as dividends and (ii) whether any portion of such distributions is designated as qualified dividend income or capital gain dividends, both of which are taxable at capital gains rates that do not exceed 20% for non-corporate U.S. Shareholders. Distributions from REITs that are treated as dividends but are not designated as either qualified dividend income or capital gain dividends (“qualified REIT dividends”) are treated as ordinary income. For taxable

years beginning before January 1, 2026, non-corporate taxpayers are entitled to a deduction of up to 20% of their qualified REIT dividends. The amount of the deduction may be up to 20% of the amount of the non-corporate U.S. Shareholder's aggregate qualified dividend income but may be less than 20% of the amount of qualified REIT dividends if the U.S. shareholder has losses from publicly traded partnerships or the U.S. Shareholder's taxable income, not taking into account net capital gain, is less than the amount of the U.S. Shareholder's qualified REIT dividends. In addition, Treasury Regulations under section 199A of the Code impose a minimum holding period for the 20% deduction that was not set forth in the Code. Under the Treasury Regulations, in order for a REIT dividend with respect to a share of REIT stock to be treated as a qualified REIT dividend, the U.S. Shareholder (i) must have held the share for more than 45 days during the 91-day period beginning on the date which is 45 days before the date on which such share becomes ex-dividend with respect to such dividend and (ii) cannot have been under an obligation to make related payments with respect to positions in substantially similar or related property, e.g., pursuant to a short sale.

Dividends received from REITs are generally not eligible to be taxed at the lower capital gain rates applicable to individuals for "qualified dividends" from C corporations (i.e., corporations generally subject to U.S. federal corporate income tax). However, dividends received from a REIT may be treated as "qualified dividend income" eligible for the reduced tax rates to the extent that the REIT itself has received qualified dividend income from other corporations (such as taxable REIT subsidiaries). In addition, dividends received from a REIT in a taxable year may be treated as qualified dividend income in an amount equal to the sum of (i) the excess of the REIT's "REIT taxable income" for the preceding taxable year over the corporate-level federal income tax payable by the REIT for such preceding taxable year and (ii) the excess of the REIT's income that was subject to the Built-in Gains Tax in the preceding taxable year over the tax payable by the REIT on such income for such preceding taxable year.

Dividends we pay are not eligible for the dividends-received deduction for corporations. To the extent that we make a distribution in excess of our positive current and accumulated earnings and profits, the distribution will be treated first as a tax-free return of capital, reducing the tax basis in the U.S. Shareholder's stock, and then any distribution in excess of such basis will be taxable to the U.S. Shareholder as gain realized from the sale of its stock.

Dividends we declare in October, November or December of any year payable to a U.S. Shareholder of record on a specified date in any such month will be treated as both paid by us and received by our shareholders on December 31 of that year, provided that we actually pay the dividends during January of the following calendar year.

We will be treated as having sufficient earnings and profits to treat as a dividend any distribution by us up to the amount required to be distributed to avoid imposition of the 4% excise tax discussed above. Moreover, any "deficiency dividend" will be treated as an ordinary or capital gain distribution, as the case may be, regardless of our earnings and profits. As a result, shareholders may be required to treat as taxable some distributions that would otherwise result in a tax-free return of capital.

Capital Gain Dividends. Distributions to U.S. Shareholders that we properly designate as capital gain dividends will be treated as long-term capital gains (to the extent they do not exceed our actual net capital gain) for the taxable year without regard to the period for which the U.S. Shareholder has held his or her stock. However, corporate shareholders may be required to treat up to 20% of certain capital gain dividends as ordinary income. Capital gain dividends are not eligible for the dividends-received deduction for corporations.

We may elect to retain and pay income tax on net long-term capital gain that we received during the tax year. In this instance, U.S. Shareholders will include in their income their proportionate share of the undistributed long-term capital gains that we designated. The U.S. Shareholders will also be deemed to have paid their proportionate share of the tax, which would be credited against such shareholders' U.S. income tax liability (and refunded to the extent it exceeds such liability). In addition, the basis of the U.S. Shareholders' shares will be increased by the excess of the amount of capital gain included in its income over the amount of tax it is deemed to have paid.

Any long-term capital gain generally will be taxed to a non-corporate taxpayer at a maximum rate of 20%. In the case of capital gain attributable to the sale of real property held for more than one year, such gain will be taxed at a maximum rate of 25% to the extent of the amount of depreciation deductions previously claimed with respect to such property. With respect to distributions we designate as capital gain dividends (including any deemed distributions of retained capital gains), subject to certain limits, we may designate, and will notify our shareholders, whether the dividend is taxable to non-corporate shareholders at regular long-term capital gains rates (currently at a maximum rate of 20%) or at the 25% rate applicable to unrecaptured depreciation.

Passive Activity Losses, Excess Business Losses and Investment Interest Limitations. Dividends we distribute and gain from the disposition of our stock will not be treated as passive activity income, and, therefore, U.S. Shareholders will not be able to apply any “passive losses” against such income. Similarly, for taxable years beginning after December 31, 2020 but before January 1, 2026, non-corporate U.S. shareholders cannot apply “excess business losses” against dividends that we distribute and gains arising from the disposition of our common stock. Dividends generally will be treated as investment income for purposes of the investment interest limitation. Net capital gain from the disposition of our stock or capital gain dividends generally will be excluded from investment income unless the U.S. Shareholder elects to have the gain taxed at ordinary income rates. Shareholders are not allowed to include on their own federal income tax returns any tax losses that we incur.

Dispositions of Shares. In general, U.S. Shareholders will realize capital gain or loss on the disposition of our stock equal to the difference between the amount of cash and the fair market value of any property received on the disposition and that shareholder’s adjusted basis in the stock. This gain or loss will be a capital gain or loss if the U.S. Shareholder has held the shares as a capital asset. The applicable tax rate will depend on the shareholder’s holding period in the asset (generally, if the shareholder has held the asset for more than one year, it will produce long-term capital gain) and the shareholder’s tax bracket (the maximum rate for non-corporate taxpayers currently being 20%). The IRS has the authority to prescribe, but has not yet prescribed, regulations that would apply a capital gain tax rate of 25% (which is generally higher than the long-term capital gain tax rates for non-corporate shareholders) to a portion of capital gain realized by a non-corporate shareholder on the sale of our stock that would correspond to our “unrecaptured Section 1250 gain.” Shareholders should consult with their own tax advisors with respect to their capital gain tax liability. In general, any loss recognized by a U.S. Shareholder upon the sale or other disposition of stock that the shareholder has held for six months or less, after applying the holding period rules, will be treated as a long-term capital loss, to the extent of distributions received by the U.S. Shareholder from us that were required to be treated as long-term capital gains.

Unearned Income Medicare Tax. High-income U.S. individuals, estates, and trusts are subject to an additional 3.8% tax on net investment income. For these purposes, net investment income includes dividends and gains from sales of stock. In the case of an individual, the tax will be 3.8% of the lesser of the individuals’ net investment income or the excess of the individuals’ modified adjusted gross income over \$250,000 in the case of a married individual filing a joint return or a surviving spouse, \$125,000 in the case of a married individual filing a separate return, or \$200,000 in the case of a single individual. The 20% deduction for “qualified REIT dividends” described above is not taken into account in computing net investment income. U.S. Shareholders that are individuals, estates or trusts should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our common stock.

Treatment of Tax-Exempt Shareholders. Distributions from us to a tax-exempt employee pension trust or other domestic tax-exempt shareholder generally will not constitute “unrelated business taxable income,” which we refer to as “UBTI,” unless the shareholder has borrowed to acquire or carry its stock or has used the shares in a trade or business.

However, for tax-exempt shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans exempt from federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code, respectively, income from an investment in us will constitute UBTI unless the organization properly sets aside or reserves such amounts for purposes

specified in the Code. These tax-exempt shareholders should consult their own tax advisors concerning these “set aside” and reserve requirements.

Qualified trusts that hold more than 10% (by value) of the shares of a “pension-held REIT” may be required to treat a certain percentage of such a REIT’s distributions as UBTI. A REIT is a “pension-held REIT” only if the REIT would not qualify as such for federal income tax purposes but for the application of a “look-through” exception to the five or fewer requirement applicable to shares held by qualified trusts and the REIT is “predominantly held” by qualified trusts. A REIT is predominantly held if either at least one qualified trust holds more than 25% by value of the REIT interests or qualified trusts, each owning more than 10% by value of the REIT interests, holds in the aggregate more than 50% of the REIT interests. The percentage of any REIT dividend treated as UBTI is equal to the ratio of (a) the UBTI earned by the REIT (treating the REIT as if it were a qualified trust and therefore subject to tax on UBTI) to (b) the total gross income (less certain associated expenses) of the REIT. In the event that this ratio is less than 5% for any year, then the qualified trust will not be treated as having received UBTI as a result of the REIT dividend. For these purposes, a qualified trust is any trust described in Section 401(a) of the Code and exempt from tax under Section 501(a) of the Code.

Special Tax Considerations For Non-U.S. Shareholders

In general, non-U.S. Shareholders will be subject to regular federal income tax with respect to their investment in us if the income from the investment is “effectively connected” with the non-U.S. Shareholder’s conduct of a trade or business in the United States. A corporate non-U.S. Shareholder that receives income that is (or is treated as) effectively connected with a U.S. trade or business also may be subject to the branch profits tax under Section 884 of the Code, which is imposed in addition to regular federal income tax at the rate of 30%, subject to reduction under a tax treaty, if applicable. Effectively connected income that meets various certification requirements will generally be exempt from withholding. The following discussion will apply to non-U.S. Shareholders whose income from their investments in us is not so effectively connected (except to the extent that the FIRPTA rules discussed below treat such income as effectively connected income).

Distributions

Distributions by us that are not attributable to gain from the sale or exchange by us of a “United States real property interest” and that we do not designate as a capital gain distribution will be treated as an ordinary income dividend to the extent that we pay the distribution out of our current or accumulated earnings and profits. Generally, any ordinary income dividend will be subject to a federal income tax, required to be withheld by us, equal to 30% of the gross amount of the dividend, unless an applicable tax treaty reduces this tax. Such a distribution in excess of our earnings and profits will be treated first as a return of capital that will reduce a non-U.S. Shareholder’s basis in its stock (but not below zero) and then as gain from the disposition of such stock, the tax treatment of which is described under the rules discussed below with respect to dispositions of stock.

Distributions by us with respect to our common stock that are attributable to gain from the sale or exchange of a United States real property interest will be treated as ordinary dividends (taxed as described above) to a non-U.S. Shareholder as long as our common stock is “regularly traded” on an established securities market and the non-U.S. Shareholder did not own more than 10% of such class of stock at any time during the one-year period preceding the distribution. Capital gain dividends distributed to a non-U.S. Shareholder that held more than 10% of our common stock in the year preceding the distribution will be taxed under the Foreign Investment in Real Property Tax Act of 1980, or “FIRPTA.” Such distributions are taxed to a non-U.S. Shareholder as if the distributions were gains “effectively connected” with a U.S. trade or business. Accordingly, a non-U.S. Shareholder will be required to report such gains on U.S. federal income tax returns and will be taxed at the normal capital gain rates applicable to a U.S. Shareholder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). Such distributions also may be subject to a 30% branch profits tax when made to a foreign corporation that is not entitled to an exemption or reduced branch profits tax rate under a tax treaty.

Although the law is not clear on this matter, it appears that amounts designated by us as undistributed capital gains in respect of our stock generally should be treated with respect to non-U.S. Shareholders in the same manner as actual distributions by us of capital gain dividends.

Although tax treaties may reduce our withholding obligations, we generally will be required to withhold from distributions to non-U.S. Shareholders, and remit to the IRS, 30% of ordinary dividends paid out of earnings and profits. Special withholding rules apply to capital gain dividends that are not recharacterized as ordinary dividends. In addition, we may be required to withhold 15% of distributions in excess of our current and accumulated earnings and profits. If the amount of tax withheld by us with respect to a distribution to a non-U.S. Shareholder exceeds the shareholder's U.S. federal income tax liability, the non-U.S. Shareholder may file for a refund of such excess from the IRS.

We expect to withhold federal income tax at the rate of 30% on all distributions (including distributions that later may be determined to have been in excess of current and accumulated earnings and profits) made to a non-U.S. Shareholder unless:

- A lower treaty rate applies and the non-U.S. Shareholder files with us an appropriate IRS Form W-8 evidencing eligibility for that reduced treaty rate;
- The non-U.S. Shareholder files with us an IRS Form W-8ECI claiming that the distribution is income effectively connected with the non-U.S. Shareholder's trade or business so that no withholding tax is required; or
- The distributions are treated for FIRPTA withholding tax purposes as attributable to a sale of a U.S. real property interest, in which case tax will be withheld at the maximum corporate income tax rate.

Dispositions of Our Common Stock

Unless our stock constitutes a "United States real property interest" within the meaning of FIRPTA, a sale of our stock by a non-U.S. Shareholder generally will not be subject to federal income taxation. Our stock will not constitute a United States real property interest if we are a domestically controlled qualified investment entity." A REIT is a domestically controlled qualified investment entity if at all times during a specified testing period less than 50% in value of its shares is held directly or indirectly by non-U.S. Shareholders. We currently anticipate that we will be a domestically controlled qualified investment entity and, therefore, that the sale of our stock will not be subject to taxation under FIRPTA. However, because our stock will be publicly traded, we cannot assure you that we will be a domestically controlled qualified investment entity. If we were not a domestically controlled qualified investment entity, a non-U.S. Shareholder's sale of our stock would be subject to tax under FIRPTA as a sale of a United States real property interest unless the stock were "regularly traded" on an established securities market (such as the New York Stock Exchange) on which the stock will be listed and the selling shareholder owned no more than 10% of the common stock throughout the applicable testing period. If the gain on the sale of stock were subject to taxation under FIRPTA, the non-U.S. Shareholder would be subject to the same treatment as a U.S. Shareholder with respect to the gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). However, even if our stock is not a United States real property interest, a nonresident alien individual's gains from the sale of stock will be taxable if the nonresident alien individual is present in the United States for 183 days or more during the taxable year and certain other conditions apply, in which case the nonresident alien individual will be subject to a 30% tax on his or her U.S.-source capital gains.

A purchaser of our stock from a non-U.S. Shareholder will not be required to withhold under FIRPTA on the purchase price if the purchased stock is "regularly traded" on an established securities market. Otherwise, the purchaser of our stock from a non-U.S. Shareholder may be required to withhold 15% of the purchase price and remit this amount to the IRS. Our common stock currently is traded on the New York Stock Exchange. We believe that we qualify under the regularly traded exception to withholding, but we cannot provide any assurance to that effect.

Qualified Shareholders

Generally, a “qualified shareholder” (as defined in the Code) who holds our common stock directly or indirectly (through one or more partnerships) will not be subject to FIRPTA on distributions by us or dispositions of our common stock. While a qualified shareholder will not be subject to FIRPTA on distributions by us or dispositions of our common stock, a distribution to a qualified shareholder that otherwise would have been taxable under FIRPTA will be treated as an ordinary dividend, and certain investors of a qualified shareholder (i.e., non-U.S. persons who hold interests in the qualified shareholder (other than interests solely as a creditor), and hold more than 10% of our common stock (whether or not by reason of the investor’s ownership in the qualified shareholder)) may be subject to FIRPTA and FIRPTA withholding.

Qualified Foreign Pension Funds

A qualified foreign pension fund (as defined in the Code) (or an entity all of the interests of which are held by a qualified foreign pension fund) that holds our common stock directly or indirectly (through one or more partnerships) will not be subject to tax under FIRPTA or to FIRPTA withholding on distributions by us or dispositions of our common stock.

FATCA Withholding

Withholding at a rate of 30% is required on dividends paid in respect of shares of our common stock to certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury (unless alternative procedures apply pursuant to an applicable intergovernmental agreement between the United States and the relevant foreign government) to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons. Accordingly, the entity through which our shares are held may affect the determination of whether such withholding is required. Similarly, dividends paid in respect of our shares to an investor that is a passive non-financial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either (1) certifies to us that such entity does not have any “substantial U.S. owners” or (ii) provides certain information regarding the entity’s “substantial U.S. owners,” which we will in turn provide to the Secretary of the Treasury. While withholding under FATCA would also have applied to payments of gross proceeds from the disposition of stock after December 31, 2018, proposed Treasury Regulations eliminate FATCA withholding on gross proceeds payments. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Non-U.S. shareholders are encouraged to consult with their tax advisers regarding the possible implications of these rules on their investment in our common stock.

Estate Tax

If our shares are owned or treated as owned by an individual who is not a U.S. citizen or resident (as specifically defined for federal estate tax purposes) at the time of the individual’s death, the shares will be includible in the individual’s gross estate for federal estate tax purposes and may be subject to federal estate tax, unless an applicable estate tax treaty provides otherwise.

Information Reporting Requirements and Backup Withholding Tax

U.S. Shareholders. In general, information reporting requirements will apply to payments of distributions on our stock and payments of the proceeds of the sale of our stock, unless an exception applies. Further, the payer will be required to withhold backup withholding tax at a 24% rate if:

- The payee fails to furnish a taxpayer identification number to the payer or to establish an exemption from backup withholding;
- The IRS notifies the payer that the taxpayer identification number furnished by the payee is incorrect;
- A notified payee has been under-reporting with respect to interest, dividends or original issue discount described in Section 3406(c) of the Code; or
- The payee has failed to certify under the penalty of perjury that the payee is not subject to backup withholding under the Code.

Some shareholders, including corporations, will be exempt from backup withholding. Any amounts withheld under the backup withholding rules from a payment to a shareholder will be allowed as a credit against the shareholder's federal income tax and may entitle the shareholder to a refund, provided that the shareholder furnishes the required information to the IRS.

Non-U.S. Shareholders. Generally, information reporting will apply to payments of distributions on our stock, and backup withholding may apply, unless the payee certifies that it is not a U.S. person or otherwise establishes an exemption.

The payment of the proceeds from the disposition of our stock to or through the U.S. office of a U.S. or foreign broker will be subject to information reporting and, possibly, backup withholding unless the non-U.S. Shareholder certifies as to its non-U.S. status or otherwise establishes an exemption, provided that the broker does not have actual knowledge that the shareholder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The proceeds of the disposition by a non-U.S. Shareholder of our stock to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, if the broker is a U.S. person, a controlled foreign corporation for U.S. tax purposes or a foreign person 50% or more whose gross income from all sources for specified periods is from activities that are effectively connected with a U.S. trade or business, information reporting generally will apply unless the broker has documentary evidence as to the non-U.S. Shareholder's foreign status and has no actual knowledge to the contrary.

Tax Basis and Other Information Reporting. Brokers are subject to information reporting requirements relating to certain transactions involving shares of our capital stock acquired on or after January 1, 2011 by a shareholder other than an exempt recipient ("covered stock"). Specifically, upon the transfer or redemption of shares of covered stock, the broker must report certain information to the shareholder and the IRS, including the adjusted tax basis of the shares and whether any gain or loss recognized on the transfer or redemption is long-term or short-term. Shares of covered stock will be transferred or redeemed on a "first in/first out" basis unless the shareholder identifies specific lots to be transferred or redeemed in a timely manner.

If we take an organizational action such as a stock split, merger, or acquisition that affects the tax basis of shares of covered stock or even make distributions that exceed our current or accumulated earnings and profits, we will report to each shareholder and the IRS (or post on our primary public Web site) a description of the action and the quantitative effect of that action on the tax basis of the applicable shares. Although corporations generally qualify as exempt recipients, an S corporation will not qualify as an exempt recipient with respect to shares of our common stock that the S corporation acquires on or after January 1, 2012. Thus, the transfer or redemption of shares of our capital stock acquired by an S corporation on or after January 1, 2012 will be subject to the reporting requirements discussed above.

Brokers may be subject to transfer statement reporting on certain transactions not otherwise subject to the reporting requirements discussed above (excluding transactions involving shares acquired before January 1, 2011). Transfer statements, however, are issued only between "brokers" and are not issued to shareholders or the IRS.

Shareholders are encouraged to consult their tax advisors regarding the application of the information reporting rules discussed above to their investment in our common stock.

Tax Aspects of the Operating Partnership

General. The Operating Partnership holds substantially all of our investments. In general, partnerships are “pass-through” entities that are not subject to federal income tax. Rather, partners are allocated their proportionate shares of the items of income, gain, loss, deduction and credit of a partnership, and are potentially subject to tax thereon, without regard to whether the partners receive a distribution from the partnership. We include in our income our proportionate share of these Operating Partnership items for purposes of the various REIT income tests and in the computation of our REIT taxable income. Moreover, for purposes of the REIT asset tests, we include our proportionate share of assets held by the Operating Partnership.

Tax Allocations with Respect to the Properties. Pursuant to Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership, must be allocated in a manner such that the contributing partner is charged with the unrealized gain, or benefits from the unrealized loss, associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss is generally equal to the difference between the fair market value of contributed property at the time of contribution and the adjusted tax basis of the property at the time of contribution, which we refer to as a “book-tax difference.” These allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. The Operating Partnership was formed by way of contributions of appreciated property. Consequently, the partnership agreement of the Operating Partnership requires allocations to be made in a manner consistent with Section 704(c) of the Code.

In general, the partners who have contributed interests in appreciated properties to the Operating Partnership will be allocated lower amounts of depreciation deductions for tax purposes than such deductions would be if determined on a pro rata basis. In addition, in the event of the disposition of any of the contributed assets that have a book-tax difference, all taxable income attributable to the book-tax difference generally will be allocated to the contributing partners, and we generally will be allocated only our share of capital gains attributable to appreciation, if any, occurring after the closing of the acquisition of the properties. This will tend to eliminate the book-tax difference over the life of the Operating Partnership. However, the special allocation rules of Section 704(c) of the Code do not always entirely eliminate the book-tax difference on an annual basis or with respect to a specific taxable transaction such as a sale. Thus, the carryover basis of the contributed assets in the hands of the Operating Partnership will cause us to be allocated lower depreciation and other deductions and possibly amounts of taxable income in the event of a sale of the contributed assets in excess of the economic or book income allocated to it as a result of the sale. This may cause us to recognize taxable income in excess of cash proceeds, which might adversely affect our ability to comply with the REIT distribution requirement.

Treasury Regulations under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences, including the “traditional method” that may leave some of the book-tax differences unaccounted for, or the election of certain methods which would permit any distortions caused by a book-tax difference to be entirely rectified on an annual basis or with respect to a specific taxable transaction such as a sale. For most property contributions, we, along with the Operating Partnership, have determined to use the “traditional method” for accounting for book-tax differences with respect to the properties contributed to the Operating Partnership. As a result of this determination, distributions to shareholders will be comprised of a greater portion of taxable income and less return of capital than if another method for accounting for book-tax differences had been selected. We, along with the Operating Partnership, have not determined which of the alternative methods of accounting for book-tax differences will be elected with respect to properties contributed to the Operating Partnership in the future.

With respect to any property purchased by the Operating Partnership, this property initially will have a tax basis equal to its fair market value and Section 704(c) of the Code will not apply.

Basis in Operating Partnership Interest. Our adjusted tax basis in our interest in the Operating Partnership generally:

- Will equal the amount of cash and the basis of any other property that we contributed to the Operating Partnership;
- Will increase by our allocable share of the Operating Partnership's income and our allocable share of debt of the Operating Partnership; and
- Will decrease, but not below zero, by our allocable share of losses suffered by the Operating Partnership, the amount of cash distributed to us, and constructive distributions resulting from a reduction in our share of debt of the Operating Partnership.

If the allocation of our distributive share of the Operating Partnership's loss exceeds the adjusted tax basis of our partnership interest in the Operating Partnership, the recognition of the excess loss will be deferred until such time and to the extent that we have an adjusted tax basis in our interest in the Operating Partnership. To the extent that the Operating Partnership's distributions, or any decrease in our share of the debt of the Operating Partnership (such decreases being considered a cash distribution to the partners) exceed our adjusted tax basis, the excess distributions (including such constructive distributions) constitute taxable income to us. This taxable income normally will be characterized as long-term capital gain if we have held our interest in the Operating Partnership for longer than one year, subject to reduced tax rates described above for non-corporate U.S. Shareholders, to the extent designated by us as a capital gain dividend. Under current law, capital gains and ordinary income of corporations generally are taxed at the same marginal rates.

Sale of the Properties. Our share of gain realized by the Operating Partnership on the sale of any property held by the Operating Partnership as inventory or other property held primarily for sale to customers in the ordinary course of the Operating Partnership's trade or business will be treated as income from a prohibited transaction that is subject to a 100% penalty tax unless a safe harbor exception applies. Prohibited transaction income also may have an adverse effect upon our ability to satisfy the income tests for qualification as a REIT. Under existing law, whether the Operating Partnership holds its property as inventory or primarily for sale to customers in the ordinary course of its trade or business is a question of fact that depends on all the facts and circumstances with respect to the particular transaction. The Operating Partnership intends to hold the properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing, owning and operating the properties and to make such occasional sales of the properties, including peripheral land, as are consistent with the Operating Partnership's investment objectives.

Partnership Audits. For partnership tax returns for taxable years beginning after December 31, 2017, rules apply for U.S. federal income tax audits of partnerships that are different from the rules that applied to prior taxable years. Such audits will continue to be conducted at the entity level, but unless such entity qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the entity itself. Under the alternative procedure, if elected, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If any of our Operating Partnership or any of its subsidiary partnerships are able to and in fact elect the alternative procedure for a given adjustment, the amount of taxes for which such persons will be liable will be increased by any applicable penalties and a special interest charge. There can be no assurance that any such entities will be eligible to make such an election or that it will, in fact, make such an election for any given adjustment.

State and Local Tax

We and our shareholders may be subject to state and local tax in various states and localities, including those in which we or they transact business, own property or reside. The tax treatment of us and the shareholders in such jurisdictions may differ from the federal income tax treatment described above. Consequently, prospective

shareholders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in our stock.