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, 2019

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

DUKE REALTY CORPORATION
DUKE REALTY LIMITED PARTNERSHIP

(Exact Name of Registrant as Specified in Its Charter)

Indiana (Duke Realty Corporation)	**35-1740409 (Duke Realty Corporation)**
Indiana (Duke Realty Limited Partnership)	**35-1898425 (Duke Realty Limited Partnership)**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
8711 River Crossing Boulevard	
Indianapolis, Indiana	**46240**
(Address of Principal Executive Offices)	**(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 Symbols	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 ☒ No ☐ **Duke Realty Limited Partnership** Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Duke Realty Corporation Yes ☐ No ☒ **Duke Realty Limited Partnership** Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Duke Realty Corporation Yes ☒ No ☐ **Duke Realty Limited Partnership** Yes ☒ No ☐

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 ☒ No ☐ **Duke Realty Limited Partnership** Yes ☒ No ☐

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. o

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. o

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 ☐ No ☒ **Duke Realty Limited Partnership** Yes ☐ No ☒

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 $11.48 billion based on the last reported sale price on June 30, 2019.

The number of common shares of Duke Realty Corporation, $0.01 par value outstanding as of February 20, 2020 was 368,342,908.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of Duke Realty Corporation's Definitive Proxy Statement for its 2020 Annual Meeting of Shareholders (the "2020 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 2020 Proxy Statement specifically incorporated by reference pursuant to Items 10 through 14 of Part III hereof, no other portions of the 2020 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, 2019 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 99.2% of the common partnership interests of the Partnership ("General Partner Units") as of December 31, 2019. The remaining 0.8% 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.

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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:

- Changes in general economic and business conditions, including the financial condition of our tenants and the value of our real estate assets;
- 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 99.2% of the Common Units at December 31, 2019. The remaining 0.8% 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, 2019, we owned or jointly controlled 519 primarily industrial properties which encompassed 155.3 million rentable square feet (including 38 unconsolidated joint venture in-service properties with 11.0 million square feet, 21 consolidated properties under development with 8.7 million square feet and one unconsolidated joint venture property under development with 133,000 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 also owned, including through ownership interests in unconsolidated joint ventures (with acreage not adjusted for our percentage ownership interest), 1,380 acres of land and controlled an additional 1,000 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. We had approximately 400 employees at December 31, 2019.

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") • 31% of the General Partner’s board is female and its 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.

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 - (9) 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 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.

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.

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

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

- We could become engaged in a dispute with any of our joint venture partners that might affect our ability to develop or operate a property;

- Our joint venture partners may have different objectives than we have regarding the appropriate timing and terms of any sale or refinancing of properties;

- Our joint venture partners may have competing interests in our markets that could create conflict of interest issues; and

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

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.

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.

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, 2019, we own interests in 519 primarily industrial properties encompassing 155.3 million net rentable square feet (including 38 unconsolidated joint venture in-service properties with 11.0 million square feet, 21 consolidated properties under development with 8.7 million square feet and one unconsolidated joint venture property under development with 133,000 square feet).

Industrial Properties: We own interests in 516 industrial properties encompassing 155.1 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 Non-Reportable buildings 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), 1,380 acres of land and control an additional 1,000 acres through purchase options. Approximately 700 acres of the 860 acres of land that we directly own, are intended to be used for the development of industrial properties and can support approximately 10.8 million square feet of industrial developments. All of our approximately 520 acres of land held by unconsolidated joint ventures, are also intended to be used for the development of industrial properties. We directly own approximately 160 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						
	Industrial	Non-Reportable	Overall	Percent of Overall	Annual Net Effective Rent (1)	Annual Net Effective Rent per Square Foot (2)	Percent of Annual Net Effective Rent
Primary Market							
Chicago	14,911,460	—	14,911,460	11.0%	$ 65,496,179	$ 4.44	10.0%
Southern California	10,449,657	—	10,449,657	7.7%	64,590,310	6.30	9.8%
South Florida	8,364,203	—	8,364,203	6.2%	64,017,309	7.72	9.7%
New Jersey	5,733,983	—	5,733,983	4.2%	50,835,890	8.87	7.7%
Atlanta	12,260,856	—	12,260,856	9.1%	46,034,396	4.01	7.0%
Dallas	10,732,386	—	10,732,386	7.9%	38,442,503	3.74	5.8%
Indianapolis	10,401,828	—	10,401,828	7.7%	34,255,096	3.32	5.2%
Houston	6,579,110	—	6,579,110	4.9%	31,836,803	5.12	4.8%
Cincinnati	9,114,047	91,843	9,205,890	6.8%	31,274,829	3.74	4.8%
Savannah	6,998,616	—	6,998,616	5.2%	29,607,648	4.23	4.5%
Minneapolis-St. Paul	5,143,303	—	5,143,303	3.8%	26,375,585	5.28	4.0%
Pennsylvania	5,486,824	—	5,486,824	4.0%	25,048,592	5.58	3.8%
St. Louis	5,721,945	—	5,721,945	4.2%	23,797,667	4.16	3.6%
DC-Baltimore	3,100,696	—	3,100,696	2.3%	21,487,777	6.93	3.3%
Central Florida	4,224,815	—	4,224,815	3.1%	21,417,767	5.29	3.2%
Columbus	5,319,877	—	5,319,877	3.9%	19,535,183	3.67	3.0%
Nashville	3,645,368	—	3,645,368	2.7%	18,370,335	5.41	2.8%
Raleigh	2,909,746	—	2,909,746	2.1%	17,759,281	6.12	2.7%
Seattle	1,876,360	—	1,876,360	1.4%	13,749,070	7.33	2.1%
Northern California	2,264,943	—	2,264,943	1.7%	11,027,895	4.87	1.7%
Other (3)	—	119,030	119,030	0.1%	3,487,188	29.30	0.5%
Total	135,240,023	210,873	135,450,896	100.0%	$ 658,447,303	$ 5.03	100.0%
Percent of Overall	99.8%	0.2%	100.0%				
Annual Net Effective Rent per Square Foot (2)	$ 5.00	$ 24.29	$ 5.03				

Unconsolidated Joint Venture Properties

	Square Feet				
	Industrial	Percent of Overall	Annual Net Effective Rent (1)	Annual Net Effective Rent per Square Foot (2)	Percent of Annual Net Effective Rent
Primary Market					
Dallas	6,047,818	55.1%	$ 26,504,046	$ 4.38	59.6%
Indianapolis	4,717,050	43.0%	17,045,673	3.95	38.4%
Cincinnati	57,886	0.5%	398,667	6.89	0.9%
Other (3)	152,944	1.4%	502,874	3.29	1.1%
Total	10,975,698	100.0%	$ 44,451,260	$ 4.21	100.0%
Percent of Overall	100.0%				
Annual Net Effective Rent per Square Foot (2)	$ 4.21				

	Occupancy %				
	Consolidated Properties			Unconsolidated Properties	
	Industrial	Non-Reportable	Overall	Industrial	Overall
Primary Market					
Chicago	99.0%	—	99.0%	—	—
Southern California	98.1%	—	98.1%	—	—
South Florida	99.2%	—	99.2%	—	—
New Jersey	100.0%	—	100.0%	—	—
Atlanta	93.6%	—	93.6%	—	—
Dallas	95.7%	—	95.7%	100.0%	100.0%
Indianapolis	99.1%	—	99.1%	91.4%	91.4%
Houston	94.5%	—	94.5%	—	—
Cincinnati	91.2%	55.3%	90.8%	100.0%	100.0%
Savannah	100.0%	—	100.0%	—	—
Minneapolis-St. Paul	97.1%	—	97.1%	—	—
Pennsylvania	81.9%	—	81.9%	—	—
St. Louis	100.0%	—	100.0%	—	—
DC-Baltimore	100.0%	—	100.0%	—	—
Central Florida	95.9%	—	95.9%	—	—
Columbus	100.0%	—	100.0%	—	—
Nashville	93.1%	—	93.1%	—	—
Raleigh	99.7%	—	99.7%	—	—
Seattle	100.0%	—	100.0%	—	—
Northern California	100.0%	—	100.0%	—	—
Other (3)	—	100.0%	100.0%	100.0%	100.0%
Total	96.7%	80.5%	96.6%	96.3%	96.3%

(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, 2019, 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

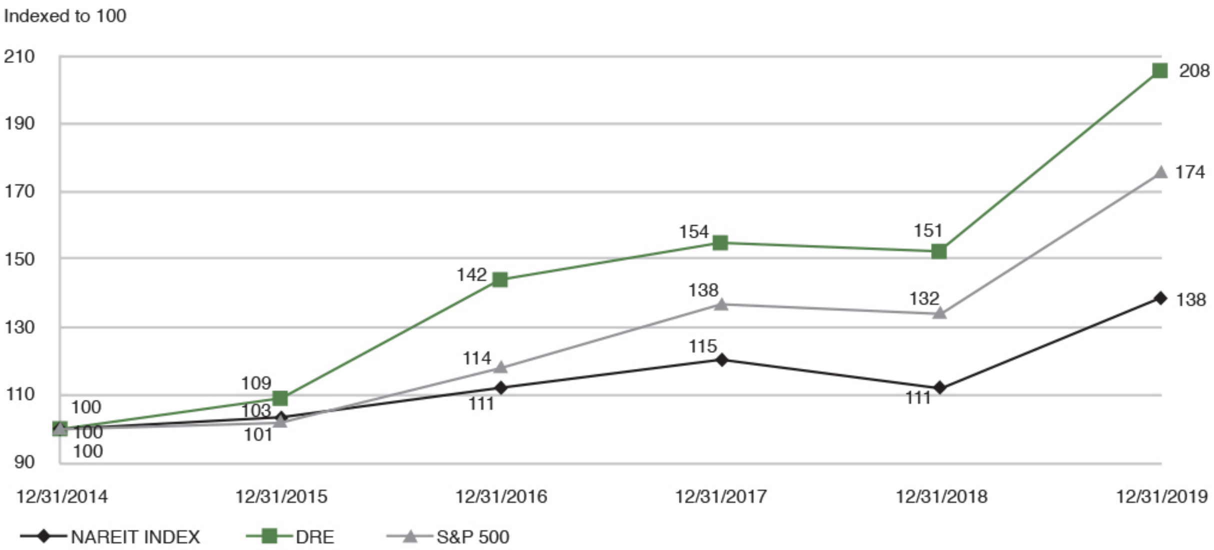
Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

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 20, 2020, there were 4,872 record holders of the General Partner's common stock and 83 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, 2014 to December 31, 2019. The graph assumes an initial investment of $100 in the common stock of the General Partner and each of the indices on December 31, 2014, 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, 2019, 2018 and 2017 follows:

	2019	2018	2017
Dividends paid per share	**$ 0.88**	$ 0.815	$ 0.77
Dividends paid per share - special	**—**	—	0.85
Total Dividends paid per share	**$ 0.88**	$ 0.815	$ 1.62
Ordinary income	**80.7%**	78.4%	23.7%
Capital gains	**19.3%**	21.6%	76.3%
	100.0%	100.0%	100.0%

Sales of Unregistered Securities

The General Partner did not sell any of its securities during the year ended December 31, 2019 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 2019 we did not repurchase any equity securities under the Repurchase Program.

On January 29, 2020 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

The following table sets forth selected financial and operating information on a historical basis for each of the years in the five-year period ended December 31, 2019. The following information should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data" included in this Form 10-K (in thousands, except per share or per Common Unit data):

	2019	2018	2017	2016	2015
Results of Operations:					
General Partner and Partnership					
Revenues:					
Rental and related revenue from continuing operations	**$ 855,833**	$ 785,319	$ 686,514	$ 641,701	$ 658,809
General contractor and service fee revenue	**117,926**	162,551	94,420	88,810	133,367
Total revenues from continuing operations	**$ 973,759**	$ 947,870	$ 780,934	$ 730,511	$ 792,176
Income from continuing operations	**$ 432,199**	$ 383,368	$ 290,592	$ 298,421	$ 188,248
General Partner					
Net income attributable to common shareholders	**$ 428,972**	$ 383,729	$ 1,634,431	$ 312,143	$ 615,310
Partnership					
Net income attributable to common unitholders	**$ 432,650**	$ 387,257	$ 1,649,607	$ 315,232	$ 621,714
General Partner					
Per Share Data:					
Basic income per common share:					
Continuing operations	**$ 1.18**	$ 1.06	$ 0.80	$ 0.84	$ 0.53
Discontinued operations	**—**	0.01	3.78	0.05	1.24
Diluted income per common share:					
Continuing operations	**1.18**	1.06	0.80	0.84	0.53
Discontinued operations	**—**	0.01	3.76	0.04	1.24
Distributions paid per common share	**$ 0.88**	$ 0.815	$ 0.77	$ 0.73	$ 0.69
Distributions paid per common share - special	**$ —**	$ —	$ 0.85	$ —	$ 0.20
Weighted average common shares outstanding	**362,234**	357,569	355,762	349,942	345,057
Weighted average common shares and potential dilutive securities	**367,339**	363,297	362,011	357,076	352,197
Balance Sheet Data (at December 31):					
Total Assets	**$ 8,420,562**	$ 7,804,024	$ 7,388,196	$ 6,772,002	$ 6,895,515
Total Debt	**2,914,765**	2,658,501	2,422,891	2,908,477	3,320,141
Total Shareholders' Equity	**5,018,115**	4,658,201	4,532,844	3,465,818	3,181,932
Total Common Shares Outstanding	**367,950**	358,851	356,361	354,756	345,285
Other Data:					
Funds from Operations attributable to common shareholders (1)	**$ 510,480**	$ 484,003	$ 447,001	$ 416,370	$ 307,331
Partnership					
Per Unit Data:					
Basic income per Common Unit:					
Continuing operations	**$ 1.18**	$ 1.06	$ 0.80	$ 0.84	$ 0.53
Discontinued operations	**—**	0.01	3.78	0.05	1.24
Diluted income per Common Unit:					
Continuing operations	**1.18**	1.06	0.80	0.84	0.53
Discontinued operations	**—**	0.01	3.76	0.04	1.24
Distributions paid per Common Unit	**$ 0.88**	$ 0.815	$ 0.77	$ 0.73	$ 0.69
Distributions paid per Common Unit - special	**$ —**	$ —	$ 0.85	$ —	$ 0.20
Weighted average Common Units outstanding	**365,352**	360,859	359,065	353,423	348,639
Weighted average Common Units and potential dilutive securities	**367,339**	363,297	362,011	357,076	352,197
Balance Sheet Data (at December 31):					
Total Assets	**$ 8,420,562**	$ 7,804,024	$ 7,388,196	$ 6,772,002	$ 6,895,515
Total Debt	**2,914,765**	2,658,501	2,422,891	2,908,477	3,320,141
Total Partners' Equity	**5,075,690**	4,708,786	4,573,407	3,490,509	3,201,964
Total Common Units Outstanding	**370,979**	361,771	359,644	358,164	348,772
Other Data:					
Funds from Operations attributable to common unitholders (1)	**$ 514,860**	$ 488,454	$ 451,154	$ 420,496	$ 310,538

(1) Funds from operations ("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"). In addition to net income (loss) computed in accordance with GAAP, we assess and measure the overall

operating results of the General Partner and the Partnership based upon NAREIT FFO, which management believes is a useful indicator of consolidated operating performance. NAREIT FFO is also used by industry analysts and investors as a supplemental operating performance measure of a REIT.

NAREIT FFO is calculated as net income (loss) 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) and related taxes, 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.

The most comparable GAAP measure is net income (loss) attributable to common shareholders or common unitholders. NAREIT FFO attributable to common shareholders or common unitholders should not be considered as a substitute for net income (loss) attributable to common shareholders or common unitholders or any other measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Management believes that the use of NAREIT FFO attributable to common shareholders or common unitholders, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that the use of NAREIT FFO as a performance measure enables investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assist them in comparing these operating results between periods or between different companies.

See a reconciliation of NAREIT FFO to net income attributable to common shareholders under "Year in Review" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." NAREIT-defined reconciling items between net income and NAREIT FFO totaled $104,227 and $(307,979) for the General Partner, and $105,264 and $(311,176) for the Partnership, in 2016 and 2015, respectively.

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

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.

At December 31, 2019, we:

- Owned or jointly controlled 519 primarily industrial properties, of which 497 properties with 146.4 million square feet were in service and 22 properties with 8.9 million square feet were under development. The 497 in-service properties were comprised of 459 consolidated properties with 135.5 million square feet and 38 unconsolidated joint venture properties with 11.0 million square feet. The 22 properties under development consisted of 21 consolidated properties with 8.7 million square feet and one unconsolidated joint venture property with 133,000 square feet.

- Owned directly, or through ownership interests in unconsolidated joint ventures (with acreage not adjusted for our percentage ownership interest), approximately 1,380 acres of land and controlled approximately 1,000 acres through purchase options.

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.

Operational Strategy

Our operational focus is to drive profitability by maximizing cash from operations as well as NAREIT FFO through (i) maintaining property occupancy and increasing rental rates, 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; (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, 2019, 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 non-strategic 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 very strong 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. In 2019, as evidence of our commitment and continued progress, we increased our GRESB score significantly, and we expect to continue participating in the GRESB benchmarking assessments.

In October 2018, the Sustainability Accounting Standards Board issued the Real Estate Sustainability Accounting Standard. 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.
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	7.0 million square feet.

In November 2019, we issued $400.0 million of senior unsecured notes with a stated interest rate of 2.88%, which mature in November 2029. These notes represent the first green bond issuance in the United States by an industrial REIT. 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. Among other community service opportunities, we hold an annual day of service during which all employees are encouraged to volunteer in their local communities. 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). We maintain a formal and structured diversity and inclusion program and have increased diversity within our board of directors, which is now 31% female. 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 have a public Corporate Responsibility Policy that formally communicates 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, 2019, is as follows (in thousands, except number of properties and per share or per Common Unit data):

	2019	2018	2017
Rental and related revenue from continuing operations	**$ 855,833**	$ 785,319	$ 686,514
General contractor and service fee revenue	**117,926**	162,551	94,420
Operating income	**524,761**	460,356	388,621
General Partner			
Net income attributable to common shareholders	**$ 428,972**	$ 383,729	$ 1,634,431
Weighted average common shares outstanding	**362,234**	357,569	355,762
Weighted average common shares and potential dilutive securities	**367,339**	363,297	362,011
Partnership			
Net income attributable to common unitholders	**$ 432,650**	$ 387,257	$ 1,649,607
Weighted average Common Units outstanding	**365,352**	360,859	359,065
Weighted average Common Units and potential dilutive securities	**367,339**	363,297	362,011
General Partner and Partnership			
Basic income per common share or Common Unit:			
Continuing operations	**$ 1.18**	$ 1.06	$ 0.80
Discontinued operations	**$ —**	$ 0.01	$ 3.78
Diluted income per common share or Common Unit:			
Continuing operations	**$ 1.18**	$ 1.06	$ 0.80
Discontinued operations	**$ —**	$ 0.01	$ 3.76
Number of in-service consolidated properties at end of year	**459**	462	451
In-service consolidated square footage at end of year	**135,451**	133,047	128,396
Number of in-service unconsolidated joint venture properties at end of year	**38**	39	42
In-service unconsolidated joint venture square footage at end of year	**10,976**	11,101	11,183

Year in Review

Overall, the economy performed well, with estimated growth in the United States gross domestic product of 2.3% for 2019. There continued to be positive momentum in some key areas, such as labor and consumer spending, but the overall economic environment was also negatively impacted by trade war concerns, gulf tensions and geopolitical matters. Short term and long term interest rates trended down for most of 2019 with the 10 year Treasury rate fluctuating from 1.5% to 2.8% and ending the year at 1.9%, down from 2.7% at the end of 2018. The continued growth of e-commerce and supply chain modernization has continued to be a significant positive factor for the industrial real estate sector, especially in high demand and land-constrained markets, while the issues facing some traditional retail operators have not significantly impacted our business. Under these conditions we were able to execute our asset and capital strategies for the year and had a successful 2019.

Net income attributable to the common shareholders of the General Partner for the year ended December 31, 2019, was $429.0 million, compared to net income of $383.7 million for the year ended December 31, 2018. Net income attributable to the common unitholders of the Partnership for the year ended December 31, 2019, was $432.7 million, compared to net income of $387.3 million for the year ended December 31, 2018. The increase in net income in 2019 for the General Partner and the Partnership, when compared to 2018, was primarily the result of new industrial properties being placed in service, improved operational performance in our existing industrial portfolio and gains on property sales, which were partially offset by the impact of the accounting requirement in 2019 to immediately expense certain internal direct lease costs that were previously capitalizable.

NAREIT FFO attributable to common shareholders of the General Partner totaled $510.5 million for the year ended December 31, 2019, compared to $484.0 million for 2018. NAREIT FFO attributable to common unitholders of the Partnership totaled $514.9 million for the year ended December 31, 2019, compared to $488.5 million for 2018. The increase to NAREIT FFO from 2018 for the General Partner and the Partnership was driven by the same factors that led to the increased net income attributable to common shareholders in 2019 with the exception of gains on property sales.

The following table shows a reconciliation of net income attributable to common shareholders or common unitholders to the calculation of NAREIT FFO attributable to common shareholders or common unitholders for the years ended December 31, 2019, 2018 and 2017, respectively (in thousands):

	2019	2018	2017
Net income attributable to common shareholders of the General Partner	**$ 428,972**	$ 383,729	$ 1,634,431
Add back: Net income attributable to noncontrolling interests - common limited partnership interests in the Partnership	**3,678**	3,528	15,176
Net income attributable to common unitholders of the Partnership	**432,650**	387,257	1,649,607
Adjustments:			
Depreciation and amortization	**327,223**	312,217	299,472
Company share of unconsolidated joint venture depreciation and amortization	**10,083**	9,146	9,674
Partnership share of gains on property sales	**(235,098)**	(208,780)	(1,466,599)
Gains on land sales	**(7,445)**	(10,334)	(9,244)
Income tax expense triggered by sales of real estate assets	**8,686**	8,828	17,660
Impairment charges	**—**	—	4,481
Gains on sales of real estate assets—share of unconsolidated joint ventures	**(21,239)**	(12,094)	(53,897)
Impairment charges - unconsolidated joint venture	**—**	2,214	—
NAREIT FFO attributable to common unitholders of the Partnership	**$ 514,860**	$ 488,454	$ 451,154
Additional General Partner Adjustments:			
Net income attributable to noncontrolling interests - common limited partnership interests in the Partnership	**(3,678)**	(3,528)	(15,176)
Noncontrolling interest share of adjustments	**(702)**	(923)	11,023
NAREIT FFO attributable to common shareholders of the General Partner	**$ 510,480**	$ 484,003	$ 447,001

See Item 6. "Selected Financial Data" for additional information regarding the NAREIT FFO definition.

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 2019 and quickly lease a significant portion of our speculative development projects. Highlights of our 2019 strategic and operational activities are as follows:

- We generated $432.7 million of total net cash proceeds from the disposition of 28 consolidated buildings and 110 acres of wholly owned undeveloped land.

- We acquired six industrial properties during the year ended December 31, 2019 totaling $217.1 million.

- We started new development projects with expected total costs of $1.09 billion, which included $8.2 million of expected total costs for a development project started within one unconsolidated joint venture. The development projects started in 2019 were, in aggregate, 54.6% leased at December 31, 2019.

- We placed 19 newly completed wholly owned development projects in service, which totaled 7.3 million square feet with total costs of $578.4 million. These properties were 79.3% leased at December 31, 2019.

- The total estimated cost of our properties under construction at December 31, 2019, with costs for unconsolidated properties shown at 100%, totaled $1.06 billion, with $541.1 million of such costs already incurred. The total estimated cost for one unconsolidated joint venture property under construction at December 31, 2019 was $8.2 million, with $5.2 million of such costs already incurred. The consolidated properties under construction were 55.1% pre-leased, while the unconsolidated joint venture property under construction was 100% pre-leased.

- Income from continuing operations before income taxes was $440.9 million and $392.2 million for the twelve months ended December 31, 2019 and 2018, respectively.

- Same-property net operating income, on a cash basis, as defined hereafter under "Supplemental Performance Measures", increased by 4.7% for the twelve months ended December 31, 2019, as compared to the same period in 2018.

- As the result of leasing up space in speculative developments throughout 2019, the percentage of total square feet leased for our in-service portfolio of consolidated properties increased from 96.4% at December 31, 2018 to 96.6% at December 31, 2019.

- Total leasing activity for our consolidated properties totaled 24.3 million square feet in 2019 compared to 24.1 million square feet in 2018. The mix in leasing activity between renewals and the leasing of new developments was generally consistent with 2018.

- Total leasing activity for our consolidated properties in 2019 included 10.9 million square feet of lease renewals, which represented a 79.1% retention rate on a square foot basis. New second generation and renewal leases, on a combined basis, executed for consolidated properties during the year resulted in a 27.3% increase 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 2019, the General Partner issued 8.0 million common shares pursuant to its at the market ("ATM") equity programs, generating gross proceeds of $266.3 million and, after deducting commissions and other costs, net proceeds of $263.3 million.

- In November 2019, we issued $400.0 million of senior unsecured notes, which bear interest at a stated interest rate of 2.88% and mature on November 15, 2029. In connection with this offering, we settled the outstanding forward starting interest rate swaps, which were designated hedges for this offering, for a cash payment of $35.6 million. When including the impact of interest rate swap amortization from accumulated other comprehensive loss ("AOCL"), the effective interest rate on these notes was 3.96%.

- In October 2019, we redeemed $250.0 million of senior unsecured notes, which had a scheduled maturity date of February 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.

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

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 9 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, 2019, 2018 and 2017 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.

Effective January 1, 2018, 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, 2019 includes all properties that we owned or jointly controlled at January 1, 2019, which had both been owned or jointly controlled and had reached stabilization by January 1, 2018, 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	Twelve Months Ended December 31,		Percent
	2019	2018	**Change**	**2019**	2018	**Change**
Income from continuing operations before income taxes	**$ 89,664**	$ 63,124		**$ 440,885**	$ 392,196	
Share of SPNOI from unconsolidated joint ventures	**4,368**	4,171		**17,066**	16,186	
PNOI excluded from the "same-property" population	**(29,160)**	(15,812)		**(98,562)**	(49,543)	
Earnings from Service Operations	**(937)**	(3,482)		**(6,360)**	(8,642)	
Rental Operations revenues and expenses excluded from PNOI	**(9,111)**	(14,538)		**(46,516)**	(60,683)	
Non-Segment Items	**77,337**	94,011		**215,218**	209,032	
SPNOI	**$ 132,161**	$ 127,474	3.7%	**$ 521,731**	$ 498,546	4.7%

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 9 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,	
	2019	2018	**2019**	2018
Number of properties	**422**	422	**422**	422
Square feet (in thousands) (1)	**114,640**	114,640	**114,640**	114,640
Average commencement occupancy percentage (2)	**98.2%**	98.6%	**98.5%**	98.3%
Average rental rate - cash basis (3)	**$4.62**	$4.49	**$4.57**	$4.43

(1) Includes the total square feet of the consolidated properties that are in the "same-property" population as well as 4.5 million square feet of space for unconsolidated joint ventures, which represents our ratable share of the 9.1 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, 2019 and 2018 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 areas of Rental Operations that we consider to be critical drivers of future revenues.

Occupancy Analysis

Our ability to maintain high occupancy rates is a principal driver 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, 2019 and 2018, respectively:

	Total Square Feet (in thousands)		Percent of Total Square Feet		Percent Leased*		Average Annual Net Effective Rent**	
Type	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Industrial	**135,240**	132,836	**99.8%**	99.8%	**96.7%**	96.4%	**$5.00**	$4.72
Non-Reportable Rental Operations	**211**	211	**0.2%**	0.2%	**80.5%**	80.8%	**$24.29**	$24.20
Total Consolidated	**135,451**	133,047	**100.0%**	100.0%	**96.6%**	96.4%	**$5.03**	$4.74
Unconsolidated Joint Ventures	**10,976**	11,101			**96.3%**	94.7%	**$4.21**	$4.09
Total Including Unconsolidated Joint Ventures	**146,427**	144,148			**96.6%**	96.2%		

* 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, 2019 within our industrial portfolio, when compared to December 31, 2018, 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, 2019 (in thousands):

	Consolidated Properties	Unconsolidated Joint Venture Properties	Total Including Unconsolidated Joint Venture Properties
Vacant square feet at December 31, 2018	4,847	591	5,438
Acquisitions	162	—	162
Vacant space in completed developments	2,783	645	3,428
Dispositions	(573)	(249)	(822)
Expirations	4,969	419	5,388
Early lease terminations	835	24	859
Property structural changes/other	(220)	—	(220)
Leasing of previously vacant space	(8,263)	(1,024)	(9,287)
Vacant square feet at December 31, 2019	4,540	406	4,946

Total Leasing Activity

The initial leasing of development projects or vacant space in acquired properties is referred to as first generation lease activity. Our ability to maintain and improve occupancy rates and net effective rents primarily depends upon our continuing ability to re-lease expiring space. 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 rental properties, expressed in square feet of leases signed, is as follows for the years ended December 31, 2019 and 2018 (in thousands):

	2019	2018
New Leasing Activity - First Generation Industrial	**9,779**	7,902
New Leasing Activity - Second Generation Industrial	**3,639**	4,925
Renewal Leasing Activity - Industrial	**10,916**	11,267
Non-Reportable Rental Operations Leasing Activity	**13**	5
Total Consolidated Leasing Activity	**24,347**	24,099
Unconsolidated Joint Venture Leasing Activity	**1,874**	3,949
Total Including Unconsolidated Joint Venture Leasing Activity	**26,221**	28,048

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, 2019 and 2018:

	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**	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Consolidated - New Second Generation	**3,639**	4,925			**7.2**	6.6	**$ 3.45**	$ 1.91	**$ 3.76**	$ 1.97
Unconsolidated Joint Ventures - New Second Generation	**233**	329			**6.7**	7.3	**$ 1.28**	$ 1.94	**$ 2.44**	$ 2.41
Total - New Second Generation	**3,872**	5,254			**7.2**	6.6	**$ 3.36**	$ 1.91	**$ 3.69**	$ 2.00
Consolidated - Renewal	**10,916**	11,267	**79.1%**	81.7%	**5.1**	5.4	**$ 0.75**	$ 0.62	**$ 1.41**	$ 1.27
Unconsolidated Joint Ventures - Renewal	**828**	660	**66.4%**	71.5%	**5.2**	5.2	**$ 0.68**	$ 0.39	**$ 1.91**	$ 1.57
Total - Renewal	**11,744**	11,927	**78.1%**	81.1%	**5.1**	5.3	**$ 0.75**	$ 0.61	**$ 1.45**	$ 1.29

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, 2019 and 2018:

	2019	2018
Ownership Type		
Consolidated properties	**27.3%**	24.2%
Unconsolidated joint venture properties	**37.9%**	33.4%

Lease Expirations

The table below reflects our consolidated in-service portfolio lease expiration schedule, at December 31, 2019 (in thousands, except percentage data and number of leases):

	Total Consolidated Portfolio			**Industrial**		**Non-Reportable**	
Year of Expiration	**Square Feet**	**Annual Rental Revenue***	**Number of Leases**	**Square Feet**	**Annual Rental Revenue***	**Square Feet**	**Annual Rental Revenue***
2020	7,167	$ 34,374	107	7,165	$ 34,351	2	$ 23
2021	12,419	58,114	141	12,419	58,114	—	—
2022	19,046	81,178	150	19,029	80,986	17	192
2023	13,182	66,008	139	13,162	65,731	20	277
2024	15,065	76,264	139	15,060	76,202	5	62
2025	12,899	64,826	96	12,897	64,801	2	25
2026	9,608	44,608	48	9,608	44,608	—	—
2027	7,390	34,103	29	7,385	34,046	5	57
2028	7,951	52,354	29	7,832	48,867	119	3,487
2029	8,434	45,475	27	8,434	45,475	—	—
2030 and Thereafter	17,751	101,142	48	17,751	101,142	—	—
Total Leased	130,912	$ 658,446	953	130,742	$ 654,323	170	$ 4,123
Total Portfolio Square Feet	135,451			135,240		211	
Percent Leased	96.6%			96.7%		80.5%	

* 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. We pursue both brokered and non-brokered acquisitions, and 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 six buildings during the year ended December 31, 2019 and nine buildings during the year ended December 31, 2018. The following table summarizes the acquisition price, percent leased at time of acquisition and in-place yields, by product type, for these acquisitions (in thousands, except percentage data):

	2019 Acquisitions			2018 Acquisitions		
Type	**Acquisition Price***	**In-Place Yield****	**Percent Leased at Acquisition Date*****	Acquisition Price*	In-Place Yield**	Percent Leased at Acquisition Date***
Industrial	**$ 217,106**	**4.1%**	**88.4%**	$ 352,617	4.2%	100.0%

* Includes fair value of real estate assets and net acquired lease-related intangible assets, including above or below market leases, but excludes 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.

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. We sold 28 consolidated buildings during the year ended December 31, 2019 and 15 consolidated buildings during the year ended December 31, 2018. The following table summarizes the sales prices, in-place yields and percent leased, by product type, of these buildings (in thousands, except percentage data):

	2019 Dispositions			2018 Dispositions		
Type	**Sales Price**	**In-Place Yield***	**Percent Leased****	Sales Price	In-Place Yield*	Percent Leased**
Industrial	**$ 425,767**	**5.6%**	**91.4%**	$ 384,137	5.8%	97.3%
Non-Reportable Rental Operations	**—**	**—%**	**—%**	121,077	4.2%	80.1%
Total	**$ 425,767**	**5.6%**	**91.4%**	$ 505,214	5.4%	95.8%

* 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

Another source of our earnings growth is our consolidated and unconsolidated joint venture development activities. We expect to generate future earnings from Rental Operations as the development properties are placed in service and leased.

We had 8.9 million square feet of property under development with total estimated costs upon completion of $1.06 billion at December 31, 2019 compared to 9.5 million square feet with total estimated costs upon completion of $814.1 million at December 31, 2018. 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, 2019 (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	8,724	55%	$ 1,046,935	$ 535,863	$ 511,072
Unconsolidated joint venture properties	133	100%	8,181	5,235	2,946
Total	8,857	56%	$ 1,055,116	$ 541,098	$ 514,018

Comparison of Year Ended December 31, 2019 to Year Ended December 31, 2018

Rental and Related Revenue

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

	2019	2018
Rental and related revenue:		
Industrial	$ 848,806	$ 775,713
Non-Reportable Rental Operations and non-segment revenues	7,027	9,606
Total rental and related revenue from continuing operations	$ 855,833	$ 785,319
Rental and related revenue from discontinued operations	—	117
Total rental and related revenue from continuing and discontinued operations	$ 855,833	$ 785,436

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

- We acquired 15 properties and placed 37 developments in service from January 1, 2018 to December 31, 2019, which provided incremental revenues from continuing operations of $65.8 million in the year ended December 31, 2019 when compared to 2018.

- Increased rental rates and, to a lesser extent, occupancy within our "same-property" portfolio, as well as the lease up of properties that were placed in service prior to January 1, 2018 but were not in the "same-property" portfolio, also contributed to the increase to rental and related revenue from continuing operations. Average rental rates and commencement occupancy in our "same-property" portfolio both increased from the year ended December 31, 2018.

- The sale of 43 in-service properties since January 1, 2018, which did not meet the criteria to be classified within discontinued operations, resulted in a decrease of $21.3 million to rental and related revenue from continuing operations in the year ended December 31, 2019, as compared to 2018, which partially offset the aforementioned increases to rental and related revenue from continuing operations.

Rental Expenses and Real Estate Taxes

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

	2019	2018
Rental expenses:		
Industrial	$ 74,083	$ 67,259
Non-Reportable Rental Operations and non-segment expenses	1,501	4,177
Total rental expenses from continuing operations	$ 75,584	$ 71,436
Rental expenses from discontinued operations	—	(8)
Total rental expenses from continuing and discontinued operations	$ 75,584	$ 71,428
Real estate taxes:		
Industrial	$ 128,887	$ 122,788
Non-Reportable Rental Operations and non-segment expenses	633	2,481
Total real estate tax expense from continuing operations	$ 129,520	$ 125,269
Real estate tax expense from discontinued operations	—	17
Total real estate tax expense from continuing and discontinued operations	$ 129,520	$ 125,286

Overall, rental expenses from continuing operations increased by $4.1 million in 2019 compared to 2018. The increase to rental expenses was primarily the result of acquisitions and developments placed in service from January 1, 2018 to December 31, 2019, partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

Overall, real estate tax expense from continuing operations increased by $4.3 million in 2019 compared to 2018. The increase to real estate taxes was mainly the result of acquisitions and developments placed in service from January 1, 2018 to December 31, 2019 and increased real estate taxes levied by the related taxing authority. The increases were partially offset by the impact of an accounting requirement that became effective in 2019, which no longer allows reporting revenues and expenses for real estate taxes paid by tenants directly to taxing authorities, as well as 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, 2019 and 2018, respectively (in thousands):

	2019	2018
Service Operations:		
General contractor and service fee revenue	**$ 117,926**	$ 162,551
General contractor and other services expenses	**(111,566)**	(153,909)
Net earnings from Service Operations	**$ 6,360**	$ 8,642

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

Net earnings from service operations decreased as the result of lower third party general contractor construction volume during 2019.

Depreciation and Amortization

Depreciation and amortization expense from continuing operations was $327.2 million and $312.2 million for the years ended December 31, 2019 and 2018, respectively. The increase in depreciation and amortization expense for the year ended December 31, 2019 was primarily the result of continued growth in our portfolio through development and acquisition.

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 $31.4 million and $21.4 million for the years ended December 31, 2019 and 2018, 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.

In 2018, we recorded equity in earnings of $12.1 million related to our share of the gain on sale of six unconsolidated joint venture buildings, as well as the gain on sale of our ownership interest in one unconsolidated joint venture and equity in earnings of $3.9 million representing our share of gains on involuntary conversion from insurance recoveries related to storm damage in one unconsolidated joint venture, partially offset by a $2.2 million impairment charge for one unconsolidated joint venture.

Gain on Sale of Properties - Continuing 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.

We sold 15 properties during 2018 that were classified in continuing operations, recognizing total gains on sale of $205.0 million. These properties did not meet the criteria to be classified within discontinued operations.

Gain on Sale of Land

Gain on sale of land was $7.4 million and $10.3 million for the years ended December 31, 2019 and 2018, respectively. We sold 110 acres of undeveloped land in 2019 compared to 187 acres of undeveloped land in 2018.

Non-Incremental Costs Related to Successful Leases

As the result of 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), $12.4 million of non-incremental costs related to successful leases were expensed during 2019. As we have adopted the standard on a prospective basis, there was no adjustment to non-incremental costs previously capitalized for 2018.

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 $60.9 million and $56.2 million for the years ended December 31, 2019 and 2018, respectively. The following table sets forth the factors that led to the increase in general and administrative expenses from 2018 to 2019 (in millions):

General and administrative expenses - 2018	$	56.2
Decrease to overall pool of overhead costs		(3.3)
Decreased absorption of costs by consolidated leasing and development activities (1)		5.4
Decreased allocation of costs to Rental Operations and Service Operations		2.6
General and administrative expenses - 2019	$	60.9

(1) We capitalized $6.8 million and $24.2 million of our total overhead costs to leasing and development, respectively, for consolidated properties during 2019, compared to capitalizing $19.0 million and $29.8 million of such costs, respectively, for 2018. Combined overhead costs capitalized to leasing and development totaled 22.8% and 35.1% of our overall pool of overhead costs for 2019 and 2018, respectively. The decrease in overhead costs capitalized to leasing was primarily due to $12.4 million of previously capitalizable internal costs that were immediately expensed due to the adoption of a new lease accounting requirement in 2019 (see Note 2 to the consolidated financial statements included in Part IV, Item 15 of this Report) and presented separately in the line item "Non-incremental costs related to successful leases" on the Consolidated Statements of Operations.

Interest Expense

Interest expense allocable to continuing operations was $89.8 million and $85.0 million for the years ended December 31, 2019 and 2018, respectively. The increase in interest expense from continuing operations for the year ended December 31, 2019 was largely the result of increased overall borrowings, partially offset by lower average interest rates.

We capitalized $26.5 million and $27.2 million of interest costs during 2019 and 2018, respectively.

Debt Extinguishment

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.

During 2018, we repaid three secured loans, totaling $227.1 million, which had a weighted average stated interest rate of 7.62%. We also repaid $7.0 million of unsecured debt, which had a stated interest rate of 6.26%. We recognized a total loss on debt extinguishment of $388,000 from these transactions including a prepayment premium and the write-off of unamortized deferred financing costs.

Comparison of Year Ended December 31, 2018 to Year Ended December 31, 2017

Rental and Related Revenue

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

	2018	2017
Rental and related revenue:		
Industrial	**$ 775,713**	$ 661,226
Non-Reportable Rental Operations and non-segment revenues	**9,606**	25,288
Total rental and related revenue from continuing operations	**$ 785,319**	$ 686,514
Rental and related revenue from discontinued operations	**117**	87,185
Total rental and related revenue from continuing and discontinued operations	**$ 785,436**	$ 773,699

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

- The acquisition of 36 properties and placing of 41 developments in service from January 1, 2017 to December 31, 2018 provided combined incremental revenues of $106.4 million in the year ended December 31, 2018 when compared to 2017.
- Increased occupancy and rental rates within our "same-property" portfolio also contributed to the increase to rental and related revenue from continuing operations. Average commencement occupancy and rental rates in our "same-property" portfolio both increased, as compared to 2017.
- Expense reimbursements increased primarily due to increased real estate taxes in our existing properties, as compared to 2017.
- The above items contributing to the increase to rental and related revenue from continuing operations were partially offset by the sale of 28 in-service properties since January 1, 2017, which did not meet the criteria to be classified within discontinued operations, and resulted in a $35.7 million decrease in rental and related revenue from continuing operations in the year ended December 31, 2018 when compared to 2017.

Rental and related revenue from discontinued operations for the year ended December 31, 2018 decreased compared to 2017 as the result of the properties classified within discontinued operations being sold throughout 2017.

Rental Expenses and Real Estate Taxes

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

	2018	2017
Rental expenses:		
Industrial	**$ 67,259**	$ 58,186
Non-Reportable Rental Operations and non-segment expenses	**4,177**	4,738
Total rental expenses from continuing operations	**$ 71,436**	$ 62,924
Rental expenses from discontinued operations	**(8)**	18,233
Total rental expenses from continuing and discontinued operations	**$ 71,428**	$ 81,157
Real estate taxes:		
Industrial	**$ 122,788**	$ 105,068
Non-Reportable Rental Operations and non-segment expenses	**2,481**	3,896
Total real estate tax expense from continuing operations	**$ 125,269**	$ 108,964
Real estate tax expense from discontinued operations	**17**	9,869
Total real estate tax expense from continuing and discontinued operations	**$ 125,286**	$ 118,833

Overall, rental expenses from continuing operations increased by $8.5 million in 2018 compared to 2017. The increase to rental expenses was primarily the result of acquisitions and developments placed in service from January 1, 2017 to December 31, 2018, partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

Real estate tax expense from continuing operations increased by $16.3 million in 2018 compared to 2017. The increase to real estate taxes was mainly the result of acquisitions and developments placed in services from January 1, 2017 to December 31, 2018 and an increase in real estate taxes on our existing base of properties. These increases to real estate tax expense were partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

The decreases in both rental expenses and real estate tax expense from discontinued operations were a result of the properties classified within discontinued operations being sold throughout 2017.

Service Operations

The following table sets forth the components of net earnings from the Service Operations reportable segment for the years ended December 31, 2018 and 2017, respectively (in thousands):

	2018	2017
Service Operations:		
General contractor and service fee revenue	**$ 162,551**	$ 94,420
General contractor and other services expenses	**(153,909)**	(89,457)
Net earnings from Service Operations	**$ 8,642**	$ 4,963

Net earnings from service operations increased as the result of a higher volume of third party construction projects during 2018.

Depreciation and Amortization

Depreciation and amortization expense from continuing operations was $312.2 million and $273.6 million for the years ended December 31, 2018 and 2017, respectively. The increase in depreciation and amortization was primarily the result of properties acquired and the developments placed in service from January 1, 2017 to December 31, 2018. The impact of acquired properties and developments placed in service was partially offset by property dispositions 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 was $21.4 million and $63.3 million for the years ended December 31, 2018 and 2017, respectively.

In 2018, we recorded equity in earnings of $12.1 million related to our share of the gain on sale of six unconsolidated joint venture buildings, as well as the gain on sale of our ownership interest in one unconsolidated joint venture and equity in earnings of $3.9 million representing our share of gains on involuntary conversion from insurance recoveries related to storm damage in one unconsolidated joint venture, partially offset by a $2.2 million impairment charge for one unconsolidated joint venture.

In 2017, we recorded $53.9 million to equity in earnings of unconsolidated joint ventures as the result of the gains on sale of our ownership interests in four unconsolidated joint ventures, as well as our share of the gain on the sale of one property from an unconsolidated joint venture. These transactions included $47.5 million in gains from the sale of our ownership interests in two joint ventures in connection with the sale of our medical office portfolio (the "Medical Office Portfolio Disposition").

Promote Income

We recognized $20.0 million of promote income from the sale of our interest in one of our unconsolidated joint ventures, as part of the Medical Office Portfolio Disposition, during the year ended December 31, 2017. We did not recognize any promote income during the year ended December 31, 2018.

Gain on Sale of Properties - Continuing Operations

We sold 15 properties during 2018 that were classified in continuing operations, recognizing total gains on sale of $205.0 million. These properties did not meet the criteria to be classified within discontinued operations.

We sold 17 properties during 2017 that were classified in continuing operations, recognizing total gains on sale of $113.7 million. These properties did not meet the criteria to be classified within discontinued operations.

Gain on Sale of Land

Gain on sale of land was $10.3 million and $9.2 million for the years ended December 31, 2018 and 2017, respectively. We sold 187 acres of undeveloped land in 2018 compared to 166 acres of undeveloped land in 2017.

General and Administrative Expenses

General and administrative expenses were $56.2 million and $54.9 million for the years ended December 31, 2018 and 2017, respectively. The following table sets forth the factors that led to the increase in general and administrative expenses from 2017 to 2018 (in millions):

General and administrative expenses - 2017	$	54.9
Decrease to overall pool of overhead costs		(0.8)
Decreased absorption of costs by wholly owned development and leasing activities (1)		1.8
Decreased allocation of costs to Service Operations and Rental Operations		0.3
General and administrative expenses - 2018	$	56.2

(1) We capitalized $19.0 million and $29.8 million of our total overhead costs to leasing and development, respectively, for consolidated properties during 2018, compared to capitalizing $19.1 million and $31.5 million of such costs, respectively, for 2017. Combined overhead costs capitalized to leasing and development totaled 35.1% and 36.2% of our overall pool of overhead costs for 2018 and 2017, respectively.

Interest Expense

Interest expense allocable to continuing operations was $85.0 million and $87.0 million for the years ended December 31, 2018 and 2017, respectively. The decrease in interest expense from continuing operations was largely the result of higher capitalization of interest due to an overall increase in development activities. We capitalized $27.2 million of interest costs during 2018 compared to $18.9 million during 2017. No interest expense was classified within discontinued operations in 2018.

During 2017, $14.7 million of interest expense was classified within discontinued operations.

Debt Extinguishment

During 2018, we repaid three secured loans, totaling $227.1 million, which had a weighted average stated interest rate of 7.62%. We also repaid $7.0 million of unsecured debt, which had a stated interest rate of 6.26%. We recognized a total loss on debt extinguishment of $388,000 from these transactions including a prepayment premium and the write-off of unamortized deferred financing costs.

During 2017, we repaid our $250.0 million variable rate term loan, which had a scheduled maturity date of January 2019 and bore interest at LIBOR plus 1.00%. We also repaid $285.6 million of senior unsecured notes with a scheduled maturity date of January 2018 and $128.7 million of senior unsecured notes with a scheduled maturity date of March 2020. We recognized a total loss on debt extinguishment of $26.1 million from these transactions during the year ended 2017, which included prepayment premiums and the write-off of unamortized deferred financing costs.

Discontinued Operations

The property-specific components of earnings that are classified as discontinued operations include rental revenues, rental expenses, real estate taxes, allocated interest expense and depreciation expense, as well as the gain or loss on the disposition of the properties and related income tax expense.

The Medical Office Portfolio Disposition in 2017 was comprised of 81 medical office properties which were classified as discontinued operations for the year ended December 31, 2017. As a result, we classified operating income before gain on sales and income taxes of $18.4 million and gain on sales of properties of $1.36 billion in discontinued operations for the year ended December 31, 2017. The related income tax impact, totaling $12.5 million for the year ended December 31, 2017, was also reported in discontinued operations. There were no properties classified as held-for-sale and included in discontinued operations at December 31, 2018.

Discontinued operations is further discussed in Note 7 to the consolidated financial statements included in Part IV, Item 15 of this Report.

Critical Accounting Policies

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

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.

Effective on January 1, 2019, with the adoption of Accounting Standards Codification ("ASC") Topic 842, *Leases* ("ASC 842"), only costs that are directly incremental to executing a lease are capitalized.

In assessing the amount of indirect costs to be capitalized, we first allocate payroll costs, on a department-by-department basis, among activities for which capitalization is warranted (i.e., construction 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.

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

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

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

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

Acquisition of Real Estate Property and Related Assets: We allocate the purchase price of acquired properties to tangible and identified intangible assets based on their respective fair values, using all pertinent information available at the date of acquisition. The allocation to tangible assets (buildings, tenant improvements and land) is based upon management's determination of the value of the property as if it were vacant. 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.

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 the consideration paid for additional interest acquired and 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.

To the extent that we gain control of a property acquired that meets the definition of a business, we account for the acquisition in accordance with the guidance for step acquisitions at their full fair value and record a gain or loss for the difference between the fair value and the carrying value of our existing equity interest. Additionally, contingencies arising from a business combination are recorded at fair value if the acquisition date fair value can be determined during the measurement period.

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

Liquidity and Capital Resources

Sources of Liquidity

We expect to meet our short-term liquidity requirements over the next 12 months, including payments of dividends and distributions and the capital expenditures needed to maintain our current real estate assets, primarily through working capital and net cash provided by operating activities. We had no outstanding borrowings on the Partnership's $1.20 billion unsecured line of credit, had $110.9 million of cash on hand and held $1.7 million of restricted cash for future like kind exchange transactions at December 31, 2019. At December 31, 2019, we also held $110.0 million of notes receivable from the 2017 Medical Office Portfolio Disposition, which matured and was paid in full in January 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, property acquisitions, financing of development activities 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.

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 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.

Unsecured Debt and Equity Securities

Our unsecured line of credit at December 31, 2019 is described as follows (in thousands):

Description	Borrowing Capacity	Maturity Date	Outstanding Balance at December 31, 2019
Unsecured Line of Credit – Partnership	$ 1,200,000	January 2022	$ —

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% and a maturity date of January 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, 2019, we were in compliance with all covenants under this line of credit.

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, the Partnership has no other material debt arrangements that are indexed to LIBOR, and has settled all outstanding interest rate swaps in November 2019, we believe that the transition will not have a material impact on our consolidated financial statements.

At December 31, 2019, 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 long-term debt upon maturity and for other general corporate purposes.

On August 1, 2019, the General Partner and the Partnership terminated the equity distribution agreement for the ATM equity program with an aggregate offering price of up to $200.0 million. Prior to the termination, the General Partner issued 1.8 million common shares in 2019 pursuant to its previous ATM equity program, resulting in net proceeds of $56.3 million after paying total compensation of $568,000 to the applicable sales agents. On August 2, 2019, the General Partner and the Partnership entered into a new equity distribution agreement to sell shares of the General Partner’s common stock, $0.01 par value per share, from time to time, up to an aggregate offering price of $400.0 million. Pursuant to the new ATM equity program, the General Partner issued a total of 6.2 million common shares during 2019, resulting in net proceeds of $207.3 million after paying total compensation of $2.1 million to the applicable sales agents. Of the total activity in 2019 under the new ATM program, 1.4 million common shares were issued during the three months ended December 31, 2019, resulting in net proceeds of $47.7 million after paying total compensation of $482,000 to the applicable sales agents. Other fees related to all 2019 issuances, totaling $325,000, were also paid during 2019. The issuances resulted in net proceeds of $263.3 million under both ATM programs during 2019.

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 AOCL, and mature on November 15, 2029, for gross proceeds of $399.9 million.

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 of 2.80%, and mature on December 15, 2027, for gross proceeds of $182.3 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, as well as applicable covenants under our unsecured line of credit, at December 31, 2019.

Sale of Real Estate Assets

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

Sales of land and depreciable properties provided $432.7 million in net proceeds in 2019, compared to $511.4 million in 2018 and $2.52 billion in 2017. We also held $110.0 million of notes receivable related to the Medical Office Portfolio Disposition at December 31, 2019, which matured and was paid in full in January 2020.

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. During 2019, our share of sale and capital distributions from unconsolidated joint ventures totaled $26.3 million.

Uses of Liquidity

Our principal uses of liquidity include the following:

- property investment;
- leasing/capital costs;
- dividends and distributions to shareholders and unitholders;
- long-term debt 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):

		2019		2018		2017
Second generation tenant improvements	**$**	**12,165**	$	18,797	$	15,239
Second generation leasing costs		**22,879**		24,899		22,712
Building improvements		**12,505**		9,778		14,603
Total second generation capital expenditures	**$**	**47,549**	$	53,474	$	52,554
Development of real estate investments	**$**	**446,801**	$	577,383	$	549,563
Other deferred leasing costs	**$**	**38,509**	$	39,380	$	30,208

We had consolidated properties under development with an expected total cost of $1.05 billion at December 31, 2019, compared to projects with an expected cost of $709.7 million and $642.1 million at December 31, 2018 and 2017, respectively.

The capital expenditures in the table above include the capitalization of internal overhead costs. We capitalized $6.8 million, $19.0 million and $19.1 million of overhead costs related to leasing activities, including both first and second generation leases, during the years ended December 31, 2019, 2018 and 2017, respectively. We capitalized $24.2 million, $29.8 million and $31.5 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, 2019, 2018 and 2017, respectively. Combined overhead costs capitalized to leasing and development totaled 22.8%, 35.1% and 36.2% of our overall pool of overhead costs at December 31, 2019, 2018 and 2017, respectively. The decrease in the overhead costs capitalized to leasing for 2019 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 Statement of Operations and Comprehensive Income for 2019.

Further discussion of the capitalization of overhead costs can be found in the year-to-year comparisons 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 $26.5 million, $27.2 million and $18.9 million of interest costs in the years ended December 31, 2019, 2018 and 2017, respectively.

Both our first and second generation expenditures vary significantly between leases on a per square foot basis, dependent upon several factors including the product type, 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 $0.88, $0.815 and $0.77 per common share or Common Unit for the years ended December 31, 2019, 2018 and 2017, respectively. We also paid a special dividend of $0.85 per common share or Common Unit during the fourth quarter of 2017 as a result of the significant taxable gains on asset sales completed in that year.

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 Maturities

Debt outstanding at December 31, 2019 had a face value totaling $2.93 billion with a weighted average interest rate of 3.73% and maturities at various dates through 2029. Of this total amount, we had $2.90 billion of unsecured debt, $34.1 million of secured debt and no outstanding borrowings on our unsecured line of credit at December 31, 2019. Scheduled principal amortization, maturities and early repayments of such debt totaled $325.5 million for the year ended December 31, 2019.

The following table is a summary of the scheduled future amortization and maturities of our indebtedness at December 31, 2019 (in thousands, except percentage data):

	Future Repayments			
Year	**Scheduled Amortization**	**Maturities**	**Total**	**Weighted Average Interest Rate of Future Repayments**
2020	$ 3,883	$ —	$ 3,883	5.62%
2021	3,416	9,047	12,463	5.62%
2022	3,611	600,000	603,611	4.20%
2023	3,817	250,000	253,817	3.75%
2024	4,036	300,000	304,036	3.92%
2025	3,938	—	3,938	5.57%
2026	2,029	375,000	377,029	3.37%
2027	358	475,000	475,358	3.18%
2028	—	500,000	500,000	4.45%
2029	—	400,000	400,000	2.88%
Thereafter	—	—	—	N/A
	$ 25,088	$ 2,909,047	$ 2,934,135	3.73%

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.

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

In October 2019, we redeemed $250.0 million of unsecured notes that were scheduled to mature in February 2021.

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.

Historical Cash Flows

Cash, cash equivalents and restricted cash were $121.4 million, $25.5 million and $193.6 million at December 31, 2019, 2018, and 2017, respectively. The following table highlights significant changes in net cash associated with our operating, investing and financing activities (in thousands):

	Years Ended December 31,		
	2019	2018	2017
General Partner			
Net cash provided by operating activities	**$ 505,898**	$ 484,407	$ 450,204
Net cash (used for) provided by investing activities	**(555,074)**	(594,430)	775,912
Net cash provided by (used for) financing activities	**145,090**	(58,087)	(1,089,526)
Partnership			
Net cash provided by operating activities	**$ 505,898**	$ 484,407	$ 450,204
Net cash (used for) provided by investing activities	**(555,074)**	(594,430)	775,912
Net cash provided by (used for) financing activities	**145,090**	(58,087)	(1,089,526)

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 to net cash provided by operating activities, compared to 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.

The increase to cash flow provided by operating activities between 2017 and 2018 was the result of higher cash flows from rental operations and lower cash paid for interest, partially offset by a $20.0 million promote payment received in connection with the Medical Office Portfolio Disposition during 2017.

Investing Activities

Highlights of significant cash sources and uses are as follows:

- Real estate development costs were $446.8 million, $577.4 million, and $549.6 million during 2019, 2018, and 2017, respectively.
- We paid cash of $598.4 million, $592.4 million and $1.23 billion, for real estate and undeveloped land acquisitions during 2019, 2018 and 2017, respectively.
- Sales of land and property generated net proceeds of $432.7 million, $511.4 million and $2.52 billion during 2019, 2018 and 2017, respectively.
- During 2019, we received repayments of $162.6 million on notes receivable from property sales, compared to $154.1 million and $3.7 million in 2018 and 2017, respectively.
- Second generation tenant improvements, leasing costs and building improvements totaled $47.5 million, $53.5 million and $52.6 million during 2019, 2018 and 2017, 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 2019, we received $26.3 million in capital distributions from unconsolidated joint ventures, 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 received $125.0 million in capital distributions from unconsolidated joint ventures during 2017, primarily related to selling our interests in two unconsolidated joint ventures in connection with the Medical Office Portfolio Disposition.
- We made capital contributions and advances to unconsolidated joint ventures in the amounts of $34.5 million, $5.9 million and $10.3 million during 2019, 2018 and 2017, respectively.

Financing Activities

The following items highlight significant capital transactions:

- During 2019, the General Partner issued 8.0 million common shares pursuant to its ATM equity programs for net proceeds of $263.3 million, compared to 990,400 shares of common stock for net proceeds of $28.4 million in 2018. The General Partner did not issue any shares of common stock pursuant to its ATM equity programs during 2017.
- We issued $575.0 million, $450.0 million and $300.0 million of senior unsecured notes during 2019, 2018 and 2017, respectively. 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.
- 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. During 2018, the Partnership repaid $7.0 million of unsecured debt. In 2017, the Partnership paid cash of $689.6 million to execute the repayment of a $250.0 million variable rate term loan, which was prepayable without penalty, and the early redemption of $414.3 million of senior unsecured notes.
- During 2019, the Partnership repaid three secured loans for $41.7 million compared to repayments of three secured loans for $227.1 million in 2018 and eight secured loans for $66.5 million in 2017.
- We decreased net borrowings on the Partnership's unsecured line of credit by $30.0 million in 2019, increased net borrowings by $30.0 million in 2018 and decreased net borrowings by $48.0 million in 2017.
- We paid regular cash dividends or distributions of $0.88, $0.815 and $0.77 per common share or per Common Unit during the years ended December 31, 2019, 2018 and 2017, respectively.
- We paid a special dividend of $0.85 per common share or Common Unit during the fourth quarter of 2017. We did not pay special dividends in 2019 or 2018.
- Changes in book cash overdrafts are classified as financing activities within our consolidated Statements of Cash Flows. Book cash overdrafts were $14.4 million, $14.3 million and $36.3 million at December 31, 2019, 2018 and 2017, 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 2018 or 2017.

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, upgraded in 2016 from Baa2. In addition, our senior unsecured notes have been assigned a rating of BBB+ by Standard & Poor's Ratings Group, upgraded in 2016 from BBB. 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.

Off-Balance Sheet Arrangements

Investments in Unconsolidated Joint Ventures

We have equity interests in unconsolidated partnerships and limited liability companies that primarily own and operate rental properties and hold land for development. These unconsolidated joint ventures are primarily engaged in the operation and development of industrial real estate properties. These investments provide us with increased market share and tenant and property diversification. The equity method of accounting is used for these investments in which we have the ability to exercise significant influence, but not control, over operating and financial policies. As a result, the assets and liabilities of these entities are not included on our balance sheet.

Our investments in and advances to unconsolidated joint ventures represented approximately 2% and 1% of our total assets at December 31, 2019 and December 31, 2018, respectively. We believe that these investments provide several benefits to us, including increased market share, tenant and property diversification and an additional source of capital to fund real estate projects.

The following table presents summarized financial information for unconsolidated joint ventures for the years ended December 31, 2019 and 2018, respectively (in thousands, except percentage data):

	2019	2018
Land, buildings and tenant improvements, net	$ 305,888	$ 328,959
Construction in progress	7,747	43,892
Undeveloped land	29,518	28,247
Other assets	75,909	88,448
	$ 419,062	$ 489,546
Indebtedness	$ 129,700	$ 209,584
Other liabilities	24,208	38,172
	153,908	247,756
Owners' equity	265,154	241,790
	$ 419,062	$ 489,546
Rental revenue	$ 59,905	$ 60,446
Gain on sale of properties	$ 24,099	$ 25,879
Net income	$ 40,134	$ 44,372
Total square feet	11,109	13,002
Percent leased*	96.30%	90.49%

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

We do not have any relationships with unconsolidated joint ventures or financial partnerships that have been established solely for the purpose of facilitating off-balance sheet arrangements.

Contractual Obligations

At December 31, 2019, we were subject to certain contractual payment obligations as described in the following table:

	Payments due by Period (in thousands)						
Contractual Obligations	**Total**	**2020**	**2021**	**2022**	**2023**	**2024**	**Thereafter**
Long-term debt (1)	$ 3,612,027	$ 113,599	$ 120,036	$ 704,381	$ 331,658	$ 377,123	$ 1,965,230
Unsecured line of credit (2)	5,630	1,830	1,825	1,825	150	—	—
Share of unconsolidated joint ventures' debt (3)	73,431	1,997	29,680	1,345	1,345	1,345	37,719
Operating leases (4)	125,550	10,463	5,282	5,033	4,760	4,220	95,792
Development and construction backlog costs (5)	455,631	450,846	4,785	—	—	—	—
Total Contractual Obligations	**$ 4,272,269**	**$ 578,735**	**$ 161,608**	**$ 712,584**	**$ 337,913**	**$ 382,688**	**$ 2,098,741**

(1) Our long-term debt consists of both secured and unsecured debt and includes both principal and interest. Interest expense for variable rate debt was calculated using the interest rate at December 31, 2019.

(2) Represents fees on our unsecured line of credit, which has a contractual maturity date in January 2022, with two six-month extension options, which we may exercise at our discretion.
(3) Our share of unconsolidated joint venture debt includes both principal and interest. Interest expense for variable rate debt was calculated using the interest rate at December 31, 2019.
(4) Due to a new accounting standard effective January 1, 2019, as a lessee we are required to record both a right-of-use asset and lease liability for our ground and office space leases that we expect to approximate the present value of our future minimum lease payments at December 31, 2019. See Note 2 to the Consolidated Financial Statements for additional information.
(5) Represents estimated remaining costs on the completion of owned development projects and third-party construction projects.

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).

	2020	2021	2022	2023	2024	Thereafter	Total	Fair Value
Long-Term Debt:								
Fixed rate secured debt	$ 3,583	$ 12,163	$ 3,311	$ 3,517	$ 3,736	$ 5,925	$ 32,235	$ 34,547
Weighted average interest rate	5.98%	5.73%	6.06%	6.06%	6.06%	6.08%	5.93%	
Variable rate secured debt	$ 300	$ 300	$ 300	$ 300	$ 300	$ 400	$ 1,900	$ 1,900
Weighted average interest rate	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	
Fixed rate unsecured debt	$ —	$ —	$ 600,000	$ 250,000	$ 300,000	$ 1,750,000	$ 2,900,000	$ 3,045,485
Weighted average interest rate	N/A	N/A	4.20%	3.72%	3.90%	3.51%	3.71%	

As the above table incorporates only those exposures that existed at December 31, 2019, 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, to the extent we have outstanding borrowings, 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, 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. At December 31, 2018, the face value of our unsecured debt was $2.58 billion and we estimated the fair value of that unsecured debt to be $2.55 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, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

In August 2019, the General Partner completed implementation of the first phase of a new enterprise resource planning (ERP) system, which is designed to replace certain internal financial and operating systems. In connection with the ERP implementation, in August 2019, we updated the processes and controls that comprise our internal control over financial reporting, as necessary, to accommodate related changes to our accounting procedures and business processes.

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, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

In August 2019, the Partnership completed implementation of the first phase of a new enterprise resource planning (ERP) system, which is designed to replace certain internal financial and operating systems. In connection with the ERP implementation, in August 2019, we updated the processes and controls that comprise our internal control over financial reporting, as necessary, to accommodate related changes to our accounting procedures and business processes.

Item 9B. Other Information

There was no information required to be disclosed in a report on Form 8-K during the fourth quarter of 2019 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 61. 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 of the General Partner from 2013 to 2015, Senior Regional Executive Vice President of the General Partner from 2011 to 2013, Executive Vice President of the General Partner 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

University. In addition, Mr. Connor is a member of the Executive Board of Governors of NAREIT and a member of The Real Estate Round Table. Mr. Connor also serves as a director of the Central Indiana Corporate Partnership.

Mark A. Denien, age 52. Mr. Denien was appointed Executive Vice President and Chief Financial Officer of the General Partner 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 of the General Partner from 2009 to 2013, and prior to that, served as Senior Vice President, Corporate Controller with the General Partner. 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 46. Mr. Schnur has served as Executive Vice President and Chief Operating Officer of the General Partner since September 2019. Prior to being named Executive Vice President and Chief Operating Officer, Mr. Schnur served as Senior Regional Executive Vice President of the General Partner 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 54. Mr. Anthony was appointed 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 60. Ms. Dee was appointed 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 Indiana Repertory Theatre and the Indianapolis Chamber Orchestra.

Peter D. Harrington, age 56. 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. Mr. Harrington serves as a board member for the Indiana council for Economics Education, an academic outreach center within the Department of Agricultural Economics at Purdue University.

All other information required by this item will be included in the General Partner's 2020 proxy statement (the "2020 Proxy Statement") for the General Partner's Annual Meeting of Shareholders to be held on April 29, 2020, 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 2020 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 2020 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 2020 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 2020 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:

2. Consolidated Financial Statement Schedules

Duke Realty Corporation and Duke Realty Limited Partnership:

3. Exhibits

The exhibits required to be filed with this Report pursuant to Item 601 of Regulation S-K are listed on pages 123 to 126 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, 2019 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, 2019, 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, 2019 and 2018, 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, 2019, 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, 2019, 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, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, 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, 2019, 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 opinions 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 Notes 2 and 7 to the consolidated financial statements, real estate assets, less accumulated depreciation as of December 31, 2019, was $6,512,916 thousand, or 77.3% of total assets. The Company evaluates its real estate assets for potential impairment whenever changes in circumstances indicate that the value of real estate assets may not be recoverable, and on at least an annual basis.

We identified the evaluation of real estate assets for potential impairment as a critical audit matter. The Company's assumptions regarding the changes in property operating forecasts, forecasted rental rates and market conditions, involve a high degree of auditor judgment. The key assumptions included occupancy levels, rental rates, capitalization rates and anticipated holding periods when evaluating real estate assets for potential impairment.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's process to evaluate real estate assets for potential impairment, including controls related to operating forecasts, forecasted rental rates, and certain market conditions. We performed sensitivity analyses over the capitalization rate assumption, based on third-party market data, to assess its impact on the Company's determination of whether a triggering event had occurred. We compared the Company's historical property operating forecasts to actual results to assess the Company's ability to accurately forecast occupancy levels and rental rates. We compared the Company's historical hold 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 investment committee to evaluate the likelihood that it was more-likely-than not that a property would be sold before the end of its previously estimated holding period. We performed an independent assessment of changes in property operating metrics and market conditions related to individual real estate assets and compared the results of our assessment to the Company's analysis.

/s/ KPMG LLP

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

Indianapolis, Indiana
February 25, 2020

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, 2019 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, 2019, 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, 2019 and 2018, 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, 2019, 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, 2019, 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, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, 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, 2019, 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.

Definition and Limitations of Internal Control Over Financial Reporting

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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.

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 opinions 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 Notes 2 and 7 to the consolidated financial statements, real estate assets, less accumulated depreciation as of December 31, 2019, was $6,512,916 thousand, or 77.3% of total assets. The Partnership evaluates its real estate assets for potential impairment whenever changes in circumstances indicate that the value of real estate assets may not be recoverable, and on at least an annual basis.

We identified the evaluation of real estate assets for potential impairment as a critical audit matter. The Partnership's assumptions regarding the changes in property operating forecasts, forecasted rental rates and market conditions, involve a high degree of auditor judgment. The key assumptions included occupancy levels, rental rates, capitalization rates and anticipated holding periods when evaluating real estate assets for potential impairment.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Partnership's process to evaluate real estate assets for potential impairment, including controls related to operating forecasts, forecasted rental rates, and certain market conditions. We performed sensitivity analyses over the capitalization rate assumption, based on third-party market data, to assess its impact on the Partnership's determination of whether a triggering event had occurred. We compared the Partnership's historical property operating forecasts to actual results to assess the Partnership's ability to accurately forecast occupancy levels and rental rates. We compared the Partnership's historical hold 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 investment committee to evaluate the likelihood that it was more-likely-than not that a property would be sold before the end of its previously estimated holding period. We performed an independent assessment of changes in property operating metrics and market conditions related to individual real estate assets and compared the results of our assessment to the Partnership's analysis.

/s/ KPMG LLP

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

Indianapolis, Indiana
February 25, 2020

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

	2019	2018
ASSETS		
Real estate investments:		
Real estate assets	$ 7,993,377	$ 7,248,346
Construction in progress	550,926	477,162
Investments in and advances to unconsolidated joint ventures	133,074	110,795
Undeveloped land	254,537	360,816
	8,931,914	8,197,119
Accumulated depreciation	(1,480,461)	(1,344,176)
Net real estate investments	7,451,453	6,852,943
Real estate investments and other assets held-for-sale	18,463	1,082
Cash and cash equivalents	110,891	17,901
Accounts receivable	20,349	14,254
Straight-line rent receivable	129,344	109,334
Receivables on construction contracts, including retentions	25,607	41,215
Deferred leasing and other costs, net of accumulated amortization of $203,857 and $200,744	320,444	313,799
Restricted cash held in escrow for like-kind exchange	1,673	—
Notes receivable from property sales	110,000	272,550
Other escrow deposits and other assets	232,338	180,946
	$ 8,420,562	$ 7,804,024
LIABILITIES AND EQUITY		
Indebtedness:		
Secured debt, net of deferred financing costs of $164 and $238	$ 34,023	$ 79,563
Unsecured debt, net of deferred financing costs of $19,258 and $26,062	2,880,742	2,548,938
Unsecured line of credit	—	30,000
	2,914,765	2,658,501
Liabilities related to real estate investments held-for-sale	887	—
Construction payables and amounts due subcontractors, including retentions	68,840	92,288
Accrued real estate taxes	69,042	73,358
Accrued interest	14,181	16,153
Other liabilities	223,680	205,433
Tenant security deposits and prepaid rents	48,907	45,048
Total liabilities	3,340,302	3,090,781
Shareholders' equity:		
Common shares ($0.01 par value); 600,000 shares authorized; 367,950 and 358,851 shares issued and outstanding, respectively	3,680	3,589
Additional paid-in capital	5,525,463	5,244,375
Accumulated other comprehensive loss	(35,036)	(4,676)
Distributions in excess of net income	(475,992)	(585,087)
Total shareholders' equity	5,018,115	4,658,201
Noncontrolling interests	62,145	55,042
Total equity	5,080,260	4,713,243
	$ 8,420,562	$ 7,804,024

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)

	2019	2018	2017
Revenues:			
Rental and related revenue	$ 855,833	$ 785,319	$ 686,514
General contractor and service fee revenue	117,926	162,551	94,420
	973,759	947,870	780,934
Expenses:			
Rental expenses	75,584	71,436	62,924
Real estate taxes	129,520	125,269	108,964
General contractor and other services expenses	111,566	153,909	89,457
Depreciation and amortization	327,223	312,217	273,561
	643,893	662,831	534,906
Other operating activities:			
Equity in earnings of unconsolidated joint ventures	31,406	21,444	63,310
Promote income	—	—	20,007
Gain on sale of properties	234,653	204,988	113,669
Gain on land sales	7,445	10,334	9,244
Other operating expenses	(5,318)	(5,231)	(4,212)
Impairment charges	—	—	(4,481)
Non-incremental costs related to successful leases	(12,402)	—	—
General and administrative expenses	(60,889)	(56,218)	(54,944)
	194,895	175,317	142,593
Operating income	524,761	460,356	388,621
Other income (expenses):			
Interest and other income, net	9,941	17,234	14,721
Interest expense	(89,756)	(85,006)	(87,003)
Loss on debt extinguishment	(6,320)	(388)	(26,104)
Gain on involuntary conversion	2,259	—	—
Income from continuing operations before income taxes	440,885	392,196	290,235
Income tax (expense) benefit	(8,686)	(8,828)	357
Income from continuing operations	432,199	383,368	290,592
Discontinued operations:			
Income before gain on sales and income taxes	—	108	18,436
Gain on sale of properties	445	3,792	1,357,778
Income tax expense	—	—	(12,465)
Income from discontinued operations	445	3,900	1,363,749
Net income	432,644	387,268	1,654,341
Net income attributable to noncontrolling interests	(3,672)	(3,539)	(19,910)
Net income attributable to common shareholders	$ 428,972	$ 383,729	$ 1,634,431
Basic net income per common share:			
Continuing operations attributable to common shareholders	$ 1.18	$ 1.06	$ 0.80
Discontinued operations attributable to common shareholders	—	0.01	3.78
Total	$ 1.18	$ 1.07	$ 4.58
Diluted net income per common share:			
Continuing operations attributable to common shareholders	$ 1.18	$ 1.06	$ 0.80
Discontinued operations attributable to common shareholders	—	0.01	3.76
Total	$ 1.18	$ 1.07	$ 4.56
Weighted average number of common shares outstanding	362,234	357,569	355,762
Weighted average number of common shares and potential dilutive securities	367,339	363,297	362,011
Comprehensive income:			
Net income	$ 432,644	$ 387,268	$ 1,654,341
Other comprehensive loss:			
Unrealized losses on interest rate swap contracts	(30,893)	(4,676)	—
Amortization of interest rate swap contracts	533	—	(682)
Total other comprehensive loss	(30,360)	(4,676)	(682)
Comprehensive income	$ 402,284	$ 382,592	$ 1,653,659

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)

	2019	2018	2017
Cash flows from operating activities:			
Net income	$ 432,644	$ 387,268	$ 1,654,341
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	272,422	256,250	242,606
Amortization of deferred leasing and other costs	54,801	55,967	56,866
Amortization of deferred financing costs	6,536	5,867	5,402
Straight-line rental income and expense, net	(21,197)	(24,605)	(16,051)
Impairment charges	—	—	4,481
Loss on debt extinguishment	6,320	388	26,104
Gain on involuntary conversion	(2,259)	—	—
Gains on land and property sales	(242,543)	(219,114)	(1,480,691)
Third-party construction contracts, net	9,254	(15,400)	1,000
Other accrued revenues and expenses, net	8,476	47,711	3,104
Equity in earnings in excess of operating distributions received from unconsolidated joint ventures	(18,556)	(9,925)	(46,958)
Net cash provided by operating activities	505,898	484,407	450,204
Cash flows from investing activities:			
Development of real estate investments	(446,801)	(577,383)	(549,563)
Acquisition of buildings and related intangible assets	(210,224)	(348,107)	(982,598)
Acquisition of land and other real estate assets	(388,202)	(244,262)	(243,846)
Second generation tenant improvements, leasing costs and building improvements	(47,549)	(53,474)	(52,554)
Other deferred leasing costs	(38,509)	(39,380)	(30,208)
Other assets	(10,777)	(14,535)	(6,960)
Proceeds from the repayments of notes receivable from property sales	162,550	154,107	3,650
Proceeds from land and property sales, net	432,662	511,391	2,523,358
Capital distributions from unconsolidated joint ventures	26,272	23,133	124,956
Capital contributions and advances to unconsolidated joint ventures	(34,496)	(5,920)	(10,323)
Net cash (used for) provided by investing activities	(555,074)	(594,430)	775,912
Cash flows from financing activities:			
Proceeds from issuance of common shares, net	272,761	34,913	13,383
Proceeds from unsecured debt	582,284	450,000	300,000
Payments on unsecured debt	(255,812)	(7,190)	(692,137)
Payments on secured indebtedness including principal amortization	(45,515)	(232,234)	(72,648)
(Repayments) borrowings on line of credit, net	(30,000)	30,000	(48,000)
Distributions to common shareholders - regular	(318,702)	(291,502)	(273,999)
Distributions to common shareholders - special	—	—	(302,833)
Distributions to noncontrolling interests, net	(2,648)	(2,456)	(11,882)
Tax payments on stock-based compensation awards	(6,825)	(8,459)	(14,946)
Change in book cash overdrafts	138	(22,088)	22,924
Cash settlement of interest rate swaps	(35,569)	—	—
Other financing activities	(10,183)	—	—
Deferred financing costs	(4,839)	(9,071)	(8,931)
Redemption of Limited Partner Units	—	—	(457)
Net cash provided by (used for) financing activities	145,090	(58,087)	(1,089,526)
Net increase (decrease) in cash, cash equivalents and restricted cash	95,914	(168,110)	136,590
Cash, cash equivalents and restricted cash at beginning of year	25,517	193,627	57,037
Cash, cash equivalents and restricted cash at end of year	$ 121,431	$ 25,517	$ 193,627
Non-cash activities:			
Liabilities and right-of-use assets - operating leases	$ 40,467	$ —	$ —
Carrying amount of pre-existing ownership interest in acquired property	$ —	$ 5,034	$ —
Non-cash property contribution from noncontrolling interests	$ —	$ 3,200	$ —
Notes receivable from buyers in property sales	$ —	$ —	$ 404,846
Conversion of Limited Partner Units to common shares	$ 1,624	$ (269)	$ 1,847

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					
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Net Income	Non-Controlling Interests	Total
Balance at December 31, 2016	**$ 3,548**	**$ 5,192,011**	**$ 682**	**$ (1,730,423)**	**$ 27,475**	**$ 3,493,293**
Net income	—	—	—	1,634,431	19,910	1,654,341
Other comprehensive loss	—	—	(682)	—	—	(682)
Issuance of common shares	5	13,378	—	—	—	13,383
Stock-based compensation plan activity	10	(1,555)	—	(3,212)	7,971	3,214
Conversion of Limited Partner Units	1	1,846	—	—	(1,847)	—
Redemption of Limited Partner Units	—	(364)	—	—	(93)	(457)
Distributions to common shareholders - regular ($0.77 per share)	—	—	—	(273,999)	—	(273,999)
Distributions to common shareholders - special ($0.85 per share)	—	—	—	(302,833)	—	(302,833)
Distributions to noncontrolling interests	—	—	—	—	(11,882)	(11,882)
Balance at December 31, 2017	**$ 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 - regular ($0.815 per share)	—	—	—	(291,502)	—	(291,502)
Distributions to noncontrolling interests	—	—	—	—	(2,731)	(2,731)
Balance at December 31, 2018	**$ 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 - regular ($0.88 per share)	—	—	—	(318,702)	—	(318,702)
Distributions to noncontrolling interests	—	—	—	—	(2,960)	(2,960)
Balance at December 31, 2019	**$ 3,680**	**$ 5,525,463**	**$ (35,036)**	**$ (475,992)**	**$ 62,145**	**$ 5,080,260**

See accompanying Notes to Consolidated Financial Statements.

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

	2019	2018
ASSETS		
Real estate investments:		
Real estate assets	$ 7,993,377	$ 7,248,346
Construction in progress	550,926	477,162
Investments in and advances to unconsolidated joint ventures	133,074	110,795
Undeveloped land	254,537	360,816
	8,931,914	8,197,119
Accumulated depreciation	(1,480,461)	(1,344,176)
Net real estate investments	7,451,453	6,852,943
Real estate investments and other assets held-for-sale	18,463	1,082
Cash and cash equivalents	110,891	17,901
Accounts receivable	20,349	14,254
Straight-line rent receivable	129,344	109,334
Receivables on construction contracts, including retentions	25,607	41,215
Deferred leasing and other costs, net of accumulated amortization of $203,857 and $200,744	320,444	313,799
Restricted cash held in escrow for like-kind exchange	1,673	—
Notes receivable from property sales	110,000	272,550
Other escrow deposits and other assets	232,338	180,946
	$ 8,420,562	$ 7,804,024
LIABILITIES AND EQUITY		
Indebtedness:		
Secured debt, net of deferred financing costs of $164 and $238	$ 34,023	$ 79,563
Unsecured debt, net of deferred financing costs of $19,258 and $26,062	2,880,742	2,548,938
Unsecured line of credit	—	30,000
	2,914,765	2,658,501
Liabilities related to real estate investments held-for-sale	887	—
Construction payables and amounts due subcontractors, including retentions	68,840	92,288
Accrued real estate taxes	69,042	73,358
Accrued interest	14,181	16,153
Other liabilities	223,680	205,433
Tenant security deposits and prepaid rents	48,907	45,048
Total liabilities	3,340,302	3,090,781
Partners' equity:		
Common equity (367,950 and 358,851 General Partner Units issued and outstanding, respectively)	5,053,151	4,662,877
Limited Partners' common equity (3,029 and 2,920 Limited Partner Units issued and outstanding, respectively)	57,575	50,585
Accumulated other comprehensive loss	(35,036)	(4,676)
Total partners' equity	5,075,690	4,708,786
Noncontrolling interests	4,570	4,457
Total equity	5,080,260	4,713,243
	$ 8,420,562	$ 7,804,024

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)

	2019	2018	2017
Revenues:			
Rental and related revenue	$ 855,833	$ 785,319	$ 686,514
General contractor and service fee revenue	117,926	162,551	94,420
	973,759	947,870	780,934
Expenses:			
Rental expenses	75,584	71,436	62,924
Real estate taxes	129,520	125,269	108,964
General contractor and other services expenses	111,566	153,909	89,457
Depreciation and amortization	327,223	312,217	273,561
	643,893	662,831	534,906
Other operating activities:			
Equity in earnings of unconsolidated joint ventures	31,406	21,444	63,310
Promote income	—	—	20,007
Gain on sale of properties	234,653	204,988	113,669
Gain on land sales	7,445	10,334	9,244
Other operating expenses	(5,318)	(5,231)	(4,212)
Impairment charges	—	—	(4,481)
Non-incremental costs related to successful leases	(12,402)	—	—
General and administrative expenses	(60,889)	(56,218)	(54,944)
	194,895	175,317	142,593
Operating income	524,761	460,356	388,621
Other income (expenses):			
Interest and other income, net	9,941	17,234	14,721
Interest expense	(89,756)	(85,006)	(87,003)
Loss on debt extinguishment	(6,320)	(388)	(26,104)
Gain on involuntary conversion	2,259	—	—
Income from continuing operations before income taxes	440,885	392,196	290,235
Income tax (expense) benefit	(8,686)	(8,828)	357
Income from continuing operations	432,199	383,368	290,592
Discontinued operations:			
Income before gain on sales and income taxes	—	108	18,436
Gain on sale of properties	445	3,792	1,357,778
Income tax expense	—	—	(12,465)
Income from discontinued operations	445	3,900	1,363,749
Net income	432,644	387,268	1,654,341
Net loss (income) attributable to noncontrolling interests	6	(11)	(4,734)
Net income attributable to common unitholders	$ 432,650	$ 387,257	$ 1,649,607
Basic net income per Common Unit:			
Continuing operations attributable to common unitholders	$ 1.18	$ 1.06	$ 0.80
Discontinued operations attributable to common unitholders	—	0.01	3.78
Total	$ 1.18	$ 1.07	$ 4.58
Diluted net income per Common Unit:			
Continuing operations attributable to common unitholders	$ 1.18	$ 1.06	$ 0.80
Discontinued operations attributable to common unitholders	—	0.01	3.76
Total	$ 1.18	$ 1.07	$ 4.56
Weighted average number of Common Units outstanding	365,352	360,859	359,065
Weighted average number of Common Units and potential dilutive securities	367,339	363,297	362,011
Comprehensive income:			
Net income	$ 432,644	$ 387,268	$ 1,654,341
Other comprehensive loss:			
Unrealized losses on interest rate swap contracts	(30,893)	(4,676)	—
Amortization of interest rate swap contracts	533	—	(682)
Total other comprehensive loss	(30,360)	(4,676)	(682)
Comprehensive income	$ 402,284	$ 382,592	$ 1,653,659

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)

	2019	2018	2017
Cash flows from operating activities:			
Net income	**$ 432,644**	$ 387,268	$ 1,654,341
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	**272,422**	256,250	242,606
Amortization of deferred leasing and other costs	**54,801**	55,967	56,866
Amortization of deferred financing costs	**6,536**	5,867	5,402
Straight-line rental income and expense, net	**(21,197)**	(24,605)	(16,051)
Impairment charges	**—**	—	4,481
Loss on debt extinguishment	**6,320**	388	26,104
Gain on involuntary conversion	**(2,259)**	—	—
Gains on land and property sales	**(242,543)**	(219,114)	(1,480,691)
Third-party construction contracts, net	**9,254**	(15,400)	1,000
Other accrued revenues and expenses, net	**8,476**	47,711	3,104
Equity in earnings in excess of operating distributions received from unconsolidated joint ventures	**(18,556)**	(9,925)	(46,958)
Net cash provided by operating activities	**505,898**	484,407	450,204
Cash flows from investing activities:			
Development of real estate investments	**(446,801)**	(577,383)	(549,563)
Acquisition of buildings and related intangible assets	**(210,224)**	(348,107)	(982,598)
Acquisition of land and other real estate assets	**(388,202)**	(244,262)	(243,846)
Second generation tenant improvements, leasing costs and building improvements	**(47,549)**	(53,474)	(52,554)
Other deferred leasing costs	**(38,509)**	(39,380)	(30,208)
Other assets	**(10,777)**	(14,535)	(6,960)
Proceeds from the repayments of notes receivable from property sales	**162,550**	154,107	3,650
Proceeds from land and property sales, net	**432,662**	511,391	2,523,358
Capital distributions from unconsolidated joint ventures	**26,272**	23,133	124,956
Capital contributions and advances to unconsolidated joint ventures	**(34,496)**	(5,920)	(10,323)
Net cash (used for) provided by investing activities	**(555,074)**	(594,430)	775,912
Cash flows from financing activities:			
Contributions from the General Partner	**272,761**	34,913	13,383
Proceeds from unsecured debt	**582,284**	450,000	300,000
Payments on unsecured debt	**(255,812)**	(7,190)	(692,137)
Payments on secured indebtedness including principal amortization	**(45,515)**	(232,234)	(72,648)
(Repayments) borrowings on line of credit, net	**(30,000)**	30,000	(48,000)
Distributions to common unitholders - regular	**(321,469)**	(294,233)	(276,539)
Distributions to common unitholders - special	**—**	—	(305,628)
Contributions from (distributions to) noncontrolling interests, net	**119**	275	(6,547)
Tax payments on stock-based compensation awards	**(6,825)**	(8,459)	(14,946)
Change in book cash overdrafts	**138**	(22,088)	22,924
Cash settlement of interest rate swaps	**(35,569)**	—	—
Other financing activities	**(10,183)**	—	—
Deferred financing costs	**(4,839)**	(9,071)	(8,931)
Redemption of Limited Partner Units	**—**	—	(457)
Net cash provided by (used for) financing activities	**145,090**	(58,087)	(1,089,526)
Net increase (decrease) in cash, cash equivalents and restricted cash	**95,914**	(168,110)	136,590
Cash, cash equivalents and restricted cash at beginning of year	**25,517**	193,627	57,037
Cash, cash equivalents and restricted cash at end of year	**$ 121,431**	$ 25,517	$ 193,627
Non-cash activities:			
Liabilities and right-of-use assets - operating leases	**$ 40,467**	$ —	$ —
Carrying amount of pre-existing ownership interest in acquired property	**$ —**	$ 5,034	$ —
Non-cash property contribution from noncontrolling interests	**$ —**	$ 3,200	$ —
Notes receivable from buyers in property sales	**$ —**	$ —	$ 404,846
Conversion of Limited Partner Units to common shares of the General Partner	**$ 1,624**	$ (269)	$ 1,847

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, 2016	**$ 3,465,136**	**$ 24,691**	**$ 682**	**$ 3,490,509**	**$ 2,784**	**$ 3,493,293**
Net income	1,634,431	15,176	—	1,649,607	4,734	1,654,341
Other comprehensive loss	—	—	(682)	(682)	—	(682)
Capital contribution from the General Partner	13,383	—	—	13,383	—	13,383
Stock-based compensation plan activity	(4,757)	7,971	—	3,214	—	3,214
Conversion of Limited Partner Units	1,847	(1,847)	—	—	—	—
Redemption of Limited Partner Units	(364)	(93)	—	(457)	—	(457)
Distributions to Partners - regular ($0.77 per Common Unit)	(273,999)	(2,540)	—	(276,539)	—	(276,539)
Distributions to Partners - special ($0.85 per Common Unit)	(302,833)	(2,795)	—	(305,628)	—	(305,628)
Distributions to noncontrolling interests	—	—	—	—	(6,547)	(6,547)
Balance at December 31, 2017	**$ 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 - regular ($0.815 per Common Unit)	(291,502)	(2,731)	—	(294,233)	—	(294,233)
Balance at December 31, 2018	**$ 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 - regular ($0.88 per Common Unit)	(318,702)	(2,767)	—	(321,469)	—	(321,469)
Distributions to noncontrolling interests	—	—	—	—	(193)	(193)
Balance at December 31, 2019	**$ 5,053,151**	**$ 57,575**	**$ (35,036)**	**$ 5,075,690**	**$ 4,570**	**$ 5,080,260**

See accompanying Notes to Consolidated Financial Statements.

(1) 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 99.2% of the Common Units at December 31, 2019. The remaining 0.8% 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, 2019, 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 9) are conducted through the Partnership. We conduct our Service Operations (see Note 9) through Duke Realty Services, LLC, Duke Realty Services Limited Partnership and Duke Construction Limited Partnership ("DCLP"), which are consolidated entities that are 100% owned by a combination of the General Partner and the Partnership. DCLP is owned through a taxable REIT subsidiary.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

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

Certain amounts in the accompanying consolidated financial statements have been reclassified to conform to the 2019 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

In January 2017, the FASB issued ASU 2017-01, *Business Combinations: Clarifying the Definition of a Business*. ASU 2017-01 provides guidance to determine when an acquisition meets the definition of a business or should be accounted for as an asset acquisition, resulting in more acquisitions being accounted for as asset acquisitions as opposed to business combinations. Transaction costs are capitalized for asset acquisitions while they are expensed as incurred for business combinations. ASU 2017-01 requires that when substantially all of the fair value of an acquisition is concentrated in a single identifiable asset or a group of similar identifiable assets it does not meet the definition of a business. ASU 2017-01 also revised the definition of a business to include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create an output. We early adopted ASU 2017-01 prospectively as of January 1, 2017 as permitted under the standard, which has not had a material impact to the consolidated financial statements.

As a result of adoption of ASU 2017-01, 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 respective 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. We consolidate those 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 VIEs are 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, 2019 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 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 in 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. Prior to January 1, 2019, all direct and indirect costs, including estimated internal costs, associated with the leasing of real estate investments owned by us were capitalized and amortized over the term of the related lease.

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, 2019 and 2018, excluding amounts classified as held-for-sale, were as follows (in thousands):

	2019	2018
Deferred leasing costs	**$ 333,706**	$ 307,486
Acquired lease-related intangible assets	**190,595**	207,057
	$ 524,301	$ 514,543
Accumulated amortization - deferred leasing costs	**$ (109,843)**	$ (101,403)
Accumulated amortization - acquired lease-related intangible assets	**(94,014)**	(99,341)
Total	**$ 320,444**	$ 313,799

Amounts recorded related to amortization expense for in-place leases for the years ended December 31, 2019, 2018 and 2017 totaled $22.0 million, $25.0 million and $27.2 million, respectively. Charges to rental income related to the amortization of above market lease assets for the years ended December 31, 2019, 2018 and 2017 totaled $703,000, $777,000 and $913,000, respectively.

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
2020	$ 18,989	$ 639
2021	16,063	367
2022	13,192	353
2023	11,246	353
2024	8,690	59
Thereafter	26,630	—
	$ 94,810	$ 1,771

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

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

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

General Contractor and Service Fee Revenue

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 9), 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 $16.5 million and $159,000, respectively, at December 31, 2019 and $29.1 million and $161,000, respectively, at December 31, 2018. 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. The Medical Office Portfolio Disposition during 2017 has met the criteria under ASC 205-20 for all of the consolidated in-service properties within the portfolio to be classified within discontinued operations (see Note 7).

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.

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):

	2019	2018	2017
General Partner			
Net income attributable to common shareholders	**$ 428,972**	$ 383,729	$ 1,634,431
Less: Dividends on participating securities	**(1,487)**	(1,675)	(3,981)
Basic net income attributable to common shareholders	**427,485**	382,054	1,630,450
Add back dividends on dilutive participating securities	**1,487**	1,675	3,981
Noncontrolling interest in earnings of common unitholders	**3,678**	3,528	15,176
Diluted net income attributable to common shareholders	**$ 432,650**	$ 387,257	$ 1,649,607
Weighted average number of common shares outstanding	**362,234**	357,569	355,762
Weighted average Limited Partner Units outstanding	**3,118**	3,290	3,303
Other potential dilutive shares	**1,987**	2,438	2,946
Weighted average number of common shares and potential dilutive securities	**367,339**	363,297	362,011
Partnership			
Net income attributable to common unitholders	**$ 432,650**	$ 387,257	$ 1,649,607
Less: Distributions on participating securities	**(1,487)**	(1,675)	(3,981)
Basic net income attributable to common unitholders	**$ 431,163**	$ 385,582	$ 1,645,626
Add back distributions on dilutive participating securities	**1,487**	1,675	3,981
Diluted net income attributable to common unitholders	**$ 432,650**	$ 387,257	$ 1,649,607
Weighted average number of Common Units outstanding	**365,352**	360,859	359,065
Other potential dilutive units	**1,987**	2,438	2,946
Weighted average number of Common Units and potential dilutive securities	**367,339**	363,297	362,011

There have been no participating securities that are anti-dilutive for the years ended December 31, 2019, 2018, and 2017.

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, 2019, 2018 and 2017 (in thousands):

	2019	2018	2017
Net income	**$ 432,644**	$ 387,268	$ 1,654,341
Book/tax differences	**(118,481)**	(97,079)	(1,073,552)
Taxable income before the dividends paid deduction	**314,163**	290,189	580,789
Less: capital gains	**(61,531)**	(63,151)	(441,577)
Adjusted taxable income subject to the 90% distribution requirement	**$ 252,632**	$ 227,038	$ 139,212

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

	2019	2018	2017
Cash dividends paid	**$ 318,702**	$ 291,502	$ 576,832
Cash dividends declared and paid in subsequent year that apply to current year	**7,500**	9,286	7,901
Cash dividends declared and paid in current year that apply to previous year	**(9,286)**	(7,901)	—
Dividends paid deduction	**316,916**	292,887	584,733
Less: Capital gain distributions	**(61,531)**	(63,151)	(441,577)
Dividends paid deduction attributable to adjusted taxable income subject to the 90% distribution requirement	**$ 255,385**	$ 229,736	$ 143,156

Our tax return for the year ended December 31, 2019 has not been filed. The taxability information presented for our dividends paid in 2019 is based upon management’s estimate. Consequently, the taxability of dividends is subject to change. A summary of the tax characterization of the dividends paid by the General Partner for the years ended December 31, 2019, 2018 and 2017 is as follows:

	2019	2018	2017
Common Shares			
Ordinary income	**80.7%**	78.4%	23.7%
Capital gains	**19.3%**	21.6%	76.3%
	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 paid federal, state and local income taxes, net of income tax refunds, of $7.8 million, $3.7 million and $21.0 million in 2019, 2018 and 2017, 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.

Assets or liabilities measured at fair value on a recurring basis primarily consist of derivative financial instruments (see Note 13). We were not party to any derivative financial instruments at December 31, 2019. In previous periods, we determined the fair value of derivative instruments using standard market conventions and techniques such as discounted cash flow analysis, option pricing models and termination cost at each balance sheet date. We recognized all derivatives at fair value within the line items Other Assets or Other Liabilities on our Consolidated Balance Sheet. We incorporated credit valuation adjustments to appropriately reflect nonperformance risk for us and the respective counter-party in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we considered the impact of netting and any applicable credit enhancements, such as mutual puts.

We determined that the majority of the inputs used to value our derivatives fell within Level 2 of the fair value hierarchy. Although the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives.

In addition to the acquired properties discussed in Note 4, assets measured at fair value on a non-recurring basis in the Consolidated Financial Statements consisted of real estate assets, both buildings and undeveloped land, which were determined to be impaired and recorded at fair value as discussed in Note 7. The table below aggregates the total fair value of these impaired assets as determined during the years ended December 31, 2019, 2018 and 2017, respectively, by the levels in the fair value hierarchy (in thousands):

	2019			2018			2017		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Real estate assets	**—**	**—**	**$ —**	—	—	$ —	—	—	$ 14,299

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.

In August 2017, the FASB issued ASU 2017-12, *Targeted improvements to accounting for hedging activities* ("ASU 2017-12"). ASU 2017-12 eliminates the current requirement to separately recognize periodic hedge ineffectiveness and requires the entire effect of the hedging instrument and hedged item to be presented in the same income statement line item. ASU 2017-12 was effective for public entities on January 1, 2019 on a modified retrospective approach with early adoption permitted after the issuance. We early adopted ASU 2017-12 effective October 1, 2018 and such adoption did not have a material impact on the consolidated financial statements.

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.

New Accounting Pronouncements

Recently Adopted Accounting Pronouncement

Leases

On January 1, 2019, we adopted the new lease standard, ASC 842, utilizing the available election to adopt 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.

Lessor Accounting

Our primary business is the development, acquisition, and operation of industrial real estate properties that are held for investment and leased to tenants. Due to electing the package of practical expedients that allow for relief from re-assessing the classification of existing leases at the adoption date, as well as based on the characteristics of our underlying assets and leases, all of our leases are classified as operating leases. 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 the new standard, only the incremental costs of signing a lease are capitalizable. As the result of this change, we recognized $12.4 million of expense for internal costs related to successful leases for the year ended December 31, 2019, presented separately in the line item "Non-Incremental Costs Related to Successful Leases" on the Consolidated Statements of Operations and Comprehensive Income, which previously would have been capitalized. For the year ended December 31, 2018 we capitalized $12.3 million of internal lease related costs which would have been expensed had ASC 842 been effective.

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 provides 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.

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 for the years ended December 31, 2019, 2018 and 2017 are as follows (in thousands and including discontinued operations):

	2019	2018	2017
Rental revenue - fixed payments	**$ 645,759**	$ 587,187	$ 585,064
Rental revenue - variable payments (1)	**210,074**	198,249	188,635
Rental and related revenue	**$ 855,833**	$ 785,436	$ 773,699

(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, 2019**
2020	**$**	**641,578**
2021		**640,615**
2022		**577,591**
2023		**507,101**
2024		**439,324**
Thereafter		**1,954,723**
	$	**4,760,932**

Lessee Accounting

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.

As of December 31, 2019, our lease arrangements primarily consisted of office and ground leases. Adoption of the practical expedients resulted in the continued classification of our leases as operating leases. Expense recognized on these leases for the year ended December 31, 2019 was not material.

For these arrangements, we recognized a ROU asset and a corresponding lease liability at the January 1, 2019 adoption date of ASC 842, representing the discounted value of future lease payments required under our lease arrangements. A $40.5 million ROU asset, net of pre-existing lease related accruals, was included in Other Escrow Deposits and Other Assets, and a corresponding lease liability of $46.9 million was included in Other Liabilities on our Consolidated Balance Sheets as of December 31, 2019. In determining these amounts we elected an available practical expedient that allows us, as a lessee, to not separate lease and non-lease components.

The following table summarizes the future operating lease payments (in thousands) to be made under our non-cancellable lease arrangements:

Year		**December 31, 2019**	**Year**		December 31, 2018
2020	**$**	**8,299**	2019	$	6,487
2021		**3,864**	2020		7,594
2022		**3,655**	2021		2,987
2023		**3,431**	2022		2,255
2024		**2,865**	2023		1,949
Thereafter		**84,119**	Thereafter		85,523
Total undiscounted operating lease payments	**$**	**106,233**	Total undiscounted operating lease payments	$	106,795
Less: imputed interest		**59,331**			
Present value of operating lease payments	**$**	**46,902**			

The weighted average remaining lease term for our lease arrangements, on a combined basis as of December 31, 2019, was 31.4 years. The weighted average discount rate for our lease arrangements as of December 31, 2019 was 4.47%. As the discount rates implied in our lease arrangements are 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 lease payments.

(3) Restricted Cash

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash* ("ASU 2016-18"). ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents and restricted cash in the statement of cash flows. As a result, entities will no longer present transfers between cash, cash equivalents and restricted cash in the statement of cash flows. We adopted this standard on January 1, 2018, on a retrospective basis, and the adoption did not have a material impact on our consolidated financial statements.

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, 2019	December 31, 2018
Cash and cash equivalents	$ 110,891	$ 17,901
Restricted cash held in escrow for like-kind exchange	1,673	—
Restricted cash included in other escrow deposits and other assets	8,867	7,616
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	$ 121,431	$ 25,517

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.

(4) 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.

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:

Real estate assets	$ 205,390
Lease related intangible assets	11,716
Fair value of acquired net 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 ended December 31, 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 assets 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
Fair value of acquired net assets	**$**	**352,617**

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

2017 Acquisitions

We paid cash of $982.6 million for acquisitions of 28 properties during the year ended December 31, 2017. We determined that these 28 properties did not meet the revised definition of a business as the result of adopting ASU 2017-01 and, accordingly, they were treated 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, 2017:

Real estate assets	$	945,844
Lease related intangible assets		46,807
Total acquired assets	$	992,651
Below market lease liability		1,483
Fair value of acquired net assets	**$**	**991,168**

During 2017 we acquired a portfolio of real estate assets from Bridge Development Partners LLC (the "Bridge Portfolio") located in Northern New Jersey, Southern California and South Florida, for a total purchase price of $578.4 million. The Bridge Portfolio includes ten industrial buildings (included in the table above) totaling 3.4 million square feet, which were 68.9% leased at the time of acquisition, as well as 43 acres of undeveloped land.

The leases in the acquired properties had a weighted average remaining life at acquisition of approximately 8.7 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 2019 and 2018, respectively, are as follows:

	2019		2018	
	Low	**High**	Low	High
Exit capitalization rate	**4.23%**	**5.32%**	3.80%	4.91%
Net rental rate per square foot	**$5.90**	**$15.60**	$6.50	$10.20

Capitalized acquisition costs were insignificant and the fair value of the six properties acquired during the year ended December 31, 2019 was substantially the same as the cost of acquisition.

Dispositions

Dispositions of buildings (see Note 7 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 $432.7 million, $511.4 million and $2.52 billion in 2019, 2018 and 2017, respectively.

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.

Dispositions during the year ended December 31, 2017 included 85 consolidated properties sold as part of the Medical Office Portfolio Disposition to a subsidiary of Healthcare Trust of America, Inc. ("HTA"), as well as certain other buyers, for a total sales price of $2.78 billion and a gain on sale of $1.39 billion. The Medical Office Portfolio Disposition was executed in connection with our strategy to focus solely on the industrial real estate product type.

A portion of the sale price for the Medical Office Portfolio Disposition was financed through either unsecured notes, or first mortgage interests in a portion of the sold properties, that we provided to HTA and other buyers, totaling $400.0 million. We concluded that the value, and the rate of interest, for these financial instruments would approximate fair value as computed using an income approach and that this determination of fair value was primarily based upon Level 3 inputs. We collected the same amount of principal on notes receivable in the amount of $145.0 million for both 2019 and 2018. We held the remaining $110.0 million of notes receivable as of December 31, 2019 which matured and was paid in full in January 2020.

In connection with the Medical Office Portfolio Disposition, during the year ended December 31, 2017 we received $105.3 million for the sale of our interest in two unconsolidated joint ventures whose underlying assets were comprised of medical office properties, which was reflected within Capital Distributions from Unconsolidated Joint Ventures within the Consolidated Statements of Cash Flows. We recorded $47.5 million of income related to the sale of our interests in these unconsolidated joint ventures within equity in earnings of unconsolidated joint ventures in the Consolidated Statements of Operations and Comprehensive Income. In connection with the sale of our interest in one of these unconsolidated joint ventures, we also recorded promote income (additional incentive-based cash distributions from the joint venture, in excess of our ownership interest) of $20.0 million from the sale of our interest, which was reflected as a separate line item in the Consolidated Statements of Operations and Comprehensive Income and reflected within net cash provided by operating activities within the Consolidated Statements of Cash Flows. In connection with the sale, we recorded income tax expense totaling $17.7 million including $12.5 million classified within discontinued operations and $5.2 million classified within continuing operations in the Consolidated Statements of Operations and Comprehensive Income.

All other dispositions were not individually material.

(5) 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, 2019, 2018 and 2017, respectively (in thousands):

	2019	2018	2017
Management fees	**$ 1,736**	$ 1,813	$ 2,422
Leasing fees	**1,544**	2,113	1,158
Construction and development fees	**5,056**	5,248	6,940

(6) Investments in Unconsolidated Joint Ventures

Summarized Financial Information

As of December 31, 2019, 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, 2019 and 2018, and for the years ended December 31, 2019, 2018 and 2017, are as follows (in thousands):

	2019	2018	2017
Rental revenue	**$ 59,905**	$ 60,446	$ 71,424
Gain on sale of properties - continuing operations	**$ 24,099**	$ 25,879	$ 4,986
Net income	**$ 40,134**	$ 44,372	$ 20,673
Equity in earnings of unconsolidated joint ventures (1)	**$ 31,406**	$ 21,444	$ 63,310
Land, buildings and tenant improvements, net	**$ 305,888**	$ 328,959	
Construction in progress	**7,747**	43,892	
Undeveloped land	**29,518**	28,247	
Other assets	**75,909**	88,448	
	$ 419,062	$ 489,546	
Indebtedness	**$ 129,700**	$ 209,584	
Other liabilities	**24,208**	38,172	
	153,908	247,756	
Owners' equity	**265,154**	241,790	
	$ 419,062	$ 489,546	
Investments in and advances to unconsolidated joint ventures (2)	**$ 133,074**	$ 110,795	

(1) During 2017, we sold our interests in certain joint ventures, including the interests in the joint ventures sold in connection with the Medical Office Portfolio Disposition (see Note 4) for which we recognized a gain of $47.5 million. The gains recognized in connection with our sales of these ownership interests, which are classified within equity in earnings of unconsolidated joint ventures on the Consolidated Statements of Operations and Comprehensive Income, are not reflected in the summarized financial information for the underlying unconsolidated joint ventures.
(2) 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 previous impairments related to our investment in the unconsolidated joint ventures, basis differences associated with the sales of properties to joint ventures in which we retained an ownership interest and loans we have made to the joint ventures. These adjustments have resulted in an aggregate difference reducing our investments in unconsolidated joint ventures by $2.5 million and $11.4 million as of December 31, 2019 and 2018, 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.

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, 2019 are as follows (in thousands):

Year	Future Repayments
2020	$ —
2021	27,735
2022	122
2023	126
2024	131
Thereafter	36,736
	$ 64,850

(7) Real Estate Assets, Discontinued Operations, Assets Held-for-Sale and Impairments

Real Estate Assets

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

	December 31, 2019	December 31, 2018
Buildings and tenant improvements	**$ 5,295,336**	$ 4,980,003
Land and improvements	**2,532,541**	2,268,343
Other real estate investments (1)	**165,500**	—
Real estate assets	**$ 7,993,377**	$ 7,248,346

(1) Includes real estate assets that we intend to redevelop within a relatively short time frame that are under leaseback to the seller(s) and generating income.

Discontinued Operations

All of the properties sold during the year ended December 31, 2017 and included in discontinued operations are medical office properties. Because of the size of the Medical Office Portfolio Disposition, and the fact that it represented our exit from the medical office product type, we determined that the disposition represented a strategic shift that would have a major effect on our operations and financial results. As such, the consolidated in-service properties in this portfolio met the criteria to be classified within discontinued operations. As the result of its classification within discontinued operations, operating results pertaining to the properties classified within discontinued operations were reclassified to discontinued operations for all periods presented in our Consolidated Statements of Operations and Comprehensive Income.

The following table illustrates the number of sold or held-for-sale properties included in, or excluded from, discontinued operations:

	Held-for-Sale at December 31, 2019	Sold in 2019	Sold in 2018	Sold in 2017	Total
Industrial	—	—	—	—	—
Non-Reportable Rental Operations	—	—	—	81	81
Total properties included in discontinued operations	—	—	—	81	81
Properties excluded from discontinued operations	1	28	15	17	61
Total properties sold or classified as held-for-sale	1	28	15	98	142

Properties sold in 2017 but excluded from discontinued operations included four properties under development, which were disposed as part of the Medical Office Portfolio Disposition, as these properties did not meet the criteria to be included in discontinued operations.

For the properties that were classified in discontinued operations, we allocated interest expense to discontinued operations and have included such interest expense in computing income from discontinued operations. Interest expense allocable to discontinued operations includes interest on any secured debt for properties included in discontinued operations and an allocable share of our consolidated unsecured interest expense for unencumbered properties. The allocation of unsecured interest expense to discontinued operations was based upon the gross book value of the unencumbered real estate assets included in discontinued operations as it related to the total gross book value of our unencumbered real estate assets. There were no additional properties classified as discontinued operations during the years ended December 31, 2019 and 2018 and, as such, no interest expense was allocated to discontinued operations during those periods.

The following table illustrates the operational results of the buildings reflected in discontinued operations for the years ended December 31, 2019, 2018 and 2017, respectively (in thousands):

	2019	2018	2017
Revenues	**$ —**	$ 117	$ 87,185
Operating expenses	**—**	(9)	(28,102)
Depreciation and amortization	**—**	—	(25,911)
Operating income	**—**	108	33,172
Interest expense	**—**	—	(14,736)
Income before gain on sales and income taxes	**—**	108	18,436
Gain on sale of depreciable properties	**445**	3,792	1,357,778
Income from discontinued operations before income taxes	**445**	3,900	1,376,214
Income tax expense	**—**	—	(12,465)
Income from discontinued operations	**$ 445**	$ 3,900	$ 1,363,749

Income tax expense included in discontinued operations relates to the sale of certain properties owned by our taxable REIT subsidiary. The amounts classified in discontinued operations for the years ended December 31, 2019 and 2018 were comprised of true-up activity related to properties sold in previous years that were classified as discontinued operations.

There were no capital expenditures for properties classified within discontinued operations for the years ended December 31, 2019 and 2018. Capital expenditures on a cash basis for the year ended December 31, 2017 were $20.9 million for properties classified within discontinued operations.

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, 2019, 2018 and 2017, respectively (in thousands):

	2019	2018	2017
Income from continuing operations attributable to common shareholders	**$ 428,531**	$ 379,865	$ 288,075
Income from discontinued operations attributable to common shareholders	**441**	3,864	1,346,356
Net income attributable to common shareholders	**$ 428,972**	$ 383,729	$ 1,634,431

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

At December 31, 2019, one in-service property was 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 all properties and land held-for-sale (in thousands):

	Held-for-Sale Properties Included in Continuing Operations	
	December 31, 2019	December 31, 2018
Land and improvements	**$ 4,561**	$ —
Buildings and tenant improvements	**18,840**	—
Undeveloped land	**—**	1,966
Accumulated depreciation	**(7,132)**	(884)
Deferred leasing and other costs, net	**2,100**	—
Other assets	**94**	—
Total assets held-for-sale	**$ 18,463**	$ 1,082
Total liabilities held-for-sale	**$ 887**	$ —

Impairment Charges

The following table illustrates impairment charges recognized during the years ended December 31, 2019, 2018 and 2017, respectively (in thousands):

	2019	2018	2017
Impairment charges - land	**$ —**	$ —	$ 3,622
Impairment charges - building	**—**	—	859
Impairment charges	**$ —**	$ —	$ 4,481

Primarily as the result of changes in our intended use for certain of our undeveloped land holdings, we recognized impairment charges of $3.6 million for the year ended December 31, 2017. The various land holdings written down to fair value totaled 12 acres for the year ended December 31, 2017. The fair value of the land upon which we recognized impairment charges was estimated based on asset-specific offers to purchase, comparable transactions and, in certain cases, estimates made by national and local independent real estate brokers who were familiar with the land parcels subject to evaluation as well as with conditions in the specific markets where the various land parcels are located. In all cases when estimates from brokers were utilized, members of our senior management who were responsible for the individual markets where the land parcels are located, and members of the Company’s accounting and financial management team, reviewed the broker’s estimates for factual accuracy and reasonableness. In all cases, we were ultimately responsible for all valuation estimates made in determining the extent of the impairment. Our valuation estimates primarily relied upon Level 3 inputs.

(8) <u>Indebtedness</u>

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, 2019 and 2018 consists of the following (in thousands):

	Maturity Date	Weighted Average Interest Rate 2019	Weighted Average Interest Rate 2018	**2019**	2018
Fixed rate secured debt	2021 to 2027	5.92%	6.91%	**$ 32,287**	$ 77,601
Variable rate secured debt	2025	1.39%	1.72%	**1,900**	2,200
Unsecured debt	2022 to 2029	3.71%	3.92%	**2,900,000**	2,575,000
Unsecured line of credit	2022	—%	3.39%	**—**	30,000
				$ 2,934,187	$ 2,684,801
Less: Deferred financing costs				**19,422**	26,300
Total indebtedness as reported on consolidated balance sheets				**$ 2,914,765**	$ 2,658,501

Secured Debt

At December 31, 2019, our secured debt was collateralized by rental properties with a carrying value of $99.0 million and by a letter of credit in the amount of $1.9 million.

The fair value of our fixed rate secured debt at December 31, 2019 was $34.5 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 is between 3.10% and 3.30%, based 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.

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

During 2018, we repaid three loans, totaling $227.1 million, which had a weighted average stated rate of 7.62%.

Unsecured Debt

At December 31, 2019, 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 100.00% to 129.00% 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, 2019.

We took the following actions during 2019 and 2018 as it pertains to our unsecured indebtedness:

- 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 AOCL, 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 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 bearing interest at a stated interest rate of 3.38% and maturing on December 15, 2027, at 104.16% par value, resulting in an effective interest rate of 2.80%. Proceeds from the unsecured notes offering were primarily used to repay the borrowings under the unsecured line of credit. The notes were issued as additional notes under an indenture pursuant to which we previously issued $300.0 million senior unsecured notes due 2027 in December 2017. These notes have substantially identical terms.
- In September 2018, we issued $450.0 million of senior unsecured notes that bear interest at a stated interest rate of 4.00%, have an effective interest rate of 4.13%, and mature on September 15, 2028. A portion of these proceeds were used to repay two of the secured loans noted above, totaling $223.9 million with a weighted average stated interest rate of 7.63% and a maturity date of March 10, 2019.

Unsecured Line of Credit

Our unsecured line of credit at December 31, 2019 is described as follows (in thousands):

Description	Borrowing Capacity	Maturity Date	Outstanding Balance at December 31, 2019
Unsecured Line of Credit – Partnership	$ 1,200,000	January 30, 2022	$ —

The Partnership's unsecured line of credit has an interest rate on borrowings of LIBOR plus 0.875% 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, 2019, we were in compliance with all financial covenants under this line of credit.

To the extent there are outstanding borrowings, we utilize 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, 2019 (in thousands):

	Book Value at 12/31/2018	Book Value at 12/31/2019	Fair Value at 12/31/2018	Issuances and Assumptions	Payments/Payoffs	Adjustments to Fair Value	Fair Value at 12/31/2019
Fixed rate secured debt	$ 77,601	$ 32,287	$ 80,238	$ —	$ (45,215)	$ (476)	$ 34,547
Variable rate secured debt	2,200	1,900	2,200	—	(300)	—	1,900
Unsecured debt	2,575,000	2,900,000	2,549,963	575,000	(250,000)	170,522	3,045,485
Unsecured line of credit	30,000	—	30,000	—	(30,000)	—	—
Total	$ 2,684,801	$ 2,934,187	$ 2,662,401	$ 575,000	$ (325,515)	$ 170,046	$ 3,081,932
Less: Deferred financing costs	26,300	19,422					
Total indebtedness as reported on the consolidated balance sheets	$ 2,658,501	$ 2,914,765					

Scheduled Maturities and Interest Paid

At December 31, 2019, 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
2020	$ 3,883
2021	12,463
2022	603,611
2023	253,817
2024	304,036
Thereafter	1,756,325
	$ 2,934,135

The amount of interest paid in 2019, 2018 and 2017 was $111.8 million, $108.2 million and $121.0 million, respectively. The amount of interest capitalized in 2019, 2018 and 2017 was $26.5 million, $27.2 million and $18.9 million, respectively.

(9) <u>Segment Reporting</u>

Reportable Segments

During the year ended December 31, 2017, we completed the Medical Office Portfolio Disposition, which resulted in all of our in-service medical office properties being classified within discontinued operations, with the exception of a property that did not meet the criteria for classification as held-for-sale at December 31, 2019. As a result of this transaction, beginning the second quarter of 2017, our medical office properties were no longer presented as a separate reportable segment, with substantially all such operating results being classified within discontinued operations. The remaining medical office property included in continuing operations no longer meets the quantitative thresholds for separate presentation, and is classified as part of our Non-Reportable Rental Operations. Properties that are not included in our reportable segments, because they 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, 2019.

As of December 31, 2019, we had two reportable operating segments, the first consisting of the ownership and rental of industrial real estate investments. Our ongoing investments in new real estate investments are determined largely upon 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. Our strategic initiatives and our allocation of resources have been historically based upon allocation among product types, which was consistent with our designation of reportable segments, and after having sold nearly all of our office and medical office properties we intend to increase our investment in industrial properties and treat them as a single operating and reportable segment. 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 property management, asset management, maintenance, leasing, development, general contracting and construction management to third-party property 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. Our Service Operations segment also includes our taxable REIT subsidiary, a legal entity through which certain of the segment's aforementioned operations are conducted.

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, 2019, 2018 and 2017 (in thousands):

	2019	2018	2017
Revenues			
Rental Operations:			
Industrial	**$ 848,806**	$ 775,713	$ 661,226
Non-Reportable Rental Operations	**5,794**	7,862	24,101
Service Operations	**117,926**	162,551	94,420
Total segment revenues	**972,526**	946,126	779,747
Other revenue	**1,233**	1,744	1,187
Consolidated revenue from continuing operations	**973,759**	947,870	780,934
Discontinued operations	**—**	117	87,185
Consolidated revenue	**$ 973,759**	$ 947,987	$ 868,119

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.

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, 2019, 2018 and 2017 (in thousands and excluding discontinued operations):

	2019	2018	2017
PNOI			
Industrial	**$ 599,416**	$ 526,627	$ 439,404
Non-Reportable Rental Operations	**3,811**	5,276	4,887
PNOI, excluding all sold properties	**603,227**	531,903	444,291
PNOI from sold properties included in continuing operations	**14,894**	32,453	49,652
PNOI, continuing operations	**618,121**	564,356	493,943
Earnings from Service Operations	**6,360**	8,642	4,963
Rental Operations revenues and expenses excluded from PNOI:			
Straight-line rental income and expense, net	**21,573**	24,604	15,520
Revenues related to lease buyouts	**1,235**	23	10,816
Amortization of lease concessions and above and below market rents	**7,802**	2,332	(3,667)
Intercompany rents and other adjusting items	**1,012**	1,271	1,004
Non-Segment Items:			
Equity in earnings of unconsolidated joint ventures	**31,406**	21,444	63,310
Promote income	**—**	—	20,007
Interest expense	**(89,756)**	(85,006)	(87,003)
Depreciation and amortization expense	**(327,223)**	(312,217)	(273,561)
Gain on sale of properties	**234,653**	204,988	113,669
Impairment charges	**—**	—	(4,481)
Interest and other income, net	**9,941**	17,234	14,721
General and administrative expenses	**(60,889)**	(56,218)	(54,944)
Gain on land sales	**7,445**	10,334	9,244
Other operating expenses	**(5,318)**	(5,231)	(4,212)
Loss on extinguishment of debt	**(6,320)**	(388)	(26,104)
Gain on involuntary conversion	**2,259**	—	—
Non-incremental costs related to successful leases	**(12,402)**	—	—
Other non-segment revenues and expenses, net	**986**	(3,972)	(2,990)
Income from continuing operations before income taxes	**$ 440,885**	$ 392,196	$ 290,235

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, 2019 and 2018 were as follows (in thousands):

	December 31, 2019	December 31, 2018
Assets		
Rental Operations:		
Industrial	**$ 7,843,302**	$ 7,155,505
Non-Reportable Rental Operations	**39,700**	43,496
Service Operations	**150,882**	132,483
Total segment assets	**8,033,884**	7,331,484
Non-segment assets	**386,678**	472,540
Consolidated assets	**$ 8,420,562**	$ 7,804,024

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, 2019, 2018 and 2017.

(10) 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 2019, 2018 and 2017. The total expense recognized for this plan was $2.1 million, $1.8 million and $2.0 million for the years ended December 31, 2019, 2018 and 2017, respectively.

(11) 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 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.

During 2017, the General Partner did not issue any common shares pursuant to its ATM equity programs.

Partnership

For each common share or preferred share that the General Partner issues, the Partnership issues a corresponding Common 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 Common Units or Preferred Units held by the General Partner at the same price.

(12) Stock Based Compensation

We are authorized to issue up to 10.6 million shares of the General Partner's common stock under our stock-based employee and non-employee compensation plans.

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. A 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.

RSUs granted to employees from 2015 to 2019 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 employees prior to 2015 vest ratably over a five-year period and are payable in the same manner. 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 a 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 RSUs, excluding dividend equivalents, for 2019:

Restricted Stock Units	**Number of RSUs**	**Weighted Average Grant-Date Fair Value**
RSUs at December 31, 2018	956,403	$23.36
Granted	392,345	$29.98
Vested	(590,364)	$22.15
Forfeited	(10,204)	$27.60
RSUs at December 31, 2019	748,180	$27.73

Compensation cost recognized for RSUs totaled $11.0 million, $11.9 million and $11.2 million for the years ended December 31, 2019, 2018 and 2017, respectively.

As of December 31, 2019, there was $6.0 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, 2019, 2018 and 2017 was $17.7 million, $18.3 million and $19.3 million, respectively.

The weighted average grant-date fair value of RSUs granted during 2018 and 2017 was $25.38 and $25.42, respectively.

The weighted average grant-date fair value of nonvested RSUs as of December 31, 2017 was $20.79.

(13) Financial Instruments

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

In 2018, we entered into two forward starting interest rate swaps with notional amounts of $200.0 million. In 2019, we entered into three additional forward starting interest rate swaps with notional amounts of $150.0 million. We entered into these interest rate swap contracts to hedge our exposure to the changes in the interest rates on an anticipated debt offering in late 2019. These forward starting swaps were appropriately designated as cash flow hedges, with any changes in fair value recorded in AOCL. We determined the fair values of these interest rate swaps by using standard market conventions and techniques such as discounted cash flow analysis, option pricing models and termination cost at each balance sheet date. The inputs used to value these interest rate swaps fall within Level 2 of the fair value hierarchy.

In November 2019, we issued $400.0 million of 2.88% senior unsecured notes due 2029 (see Note 8) and terminated all of the forward starting interest rate swaps, resulting in a cash payment of $35.6 million to the counter parties, which was recorded in AOCL and is being recognized through interest expense over the term of the notes. The remaining unamortized amount as of December 31, 2019 was $35.0 million.

(14) <u>Commitments and Contingencies</u>

The Partnership has guaranteed the repayment of $22.0 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 one of our unconsolidated joint ventures. At December 31, 2019, the maximum guarantee exposure for these loans was approximately $55.4 million.

We lease certain land positions with terms extending to December 31, 2065, with a total future payment obligation of $90.2 million at December 31, 2019. No payments on these ground leases, which are classified as operating 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 $35.4 million at December 31, 2019. 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 $1.0 million of such special assessment liabilities, which are included within other liabilities on our Consolidated Balance Sheets as of December 31, 2019.

(15) Selected Interim Financial Information (unaudited)

The tables below are the Company's selected quarterly information for the years ended December 31, 2019 and 2018 (in thousands, except per common share or per Common Unit data):

	Quarter Ended			
2019	**December 31**	**September 30**	**June 30**	**March 31**
Rental and related revenue	$217,387	$215,374	$213,107	$209,965
General contractor and service fee revenue	$13,088	$25,955	$23,919	$54,964
General Partner				
Net income attributable to common shareholders	$86,802	$226,566	$71,053	$44,551
Basic income per common share	$0.24	$0.62	$0.20	$0.12
Diluted income per common share	$0.23	$0.62	$0.20	$0.12
Weighted average common shares	367,603	362,416	359,681	359,139
Weighted average common shares and potential dilutive securities	372,464	367,271	362,926	362,362
Partnership				
Net income attributable to common unitholders	$87,509	$228,534	$71,674	$44,933
Basic income per Common Unit	$0.24	$0.62	$0.20	$0.12
Diluted income per Common Unit	$0.23	$0.62	$0.20	$0.12
Weighted average Common Units	370,725	365,558	362,826	362,204
Weighted average Common Units and potential dilutive securities	372,464	367,271	362,926	362,362
2018	**December 31**	**September 30**	**June 30**	**March 31**
Rental and related revenue	$202,858	$196,912	$192,093	$193,456
General contractor and service fee revenue	$67,999	$34,986	$18,465	$41,101
General Partner				
Net income attributable to common shareholders	$63,896	$53,025	$193,845	$72,963
Basic income per common share	$0.18	$0.15	$0.54	$0.20
Diluted income per common share	$0.18	$0.15	$0.54	$0.20
Weighted average common shares	358,561	357,898	357,054	356,740
Weighted average common shares and potential dilutive securities	362,536	361,410	362,741	360,400
Partnership				
Net income attributable to common unitholders	$64,422	$53,520	$195,669	$73,646
Basic income per Common Unit	$0.18	$0.15	$0.54	$0.20
Diluted income per Common Unit	$0.18	$0.15	$0.54	$0.20
Weighted average Common Units	361,672	361,200	360,447	360,095
Weighted average Common Units and potential dilutive securities	362,536	361,410	362,741	360,400

(16) 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 29, 2020:

Class of stock/units	Quarterly Amount per Share or Unit	Record Date	Payment Date
Common	$ 0.235	February 14, 2020	February 28, 2020

Issuance of Senior Unsecured Notes

In February 2020, we issued $325.0 million of senior unsecured notes that bear 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 will primarily be used to redeem $300.0 million of 4.38% senior unsecured notes due 2022.

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
Atlanta, Georgia											
Airport Distribution 3781	Industrial	—	4,064	11,383	331	4,064	11,714	15,778	2,763	2002	2014
Aurora, Illinois											
Meridian Business 880	Industrial	—	963	4,625	1,420	963	6,045	7,008	2,964	2000	2000
4220 Meridian Parkway	Industrial	—	970	3,512	26	970	3,538	4,508	1,349	2004	2004
Butterfield 2805	Industrial	—	9,185	10,795	5,907	9,272	16,615	25,887	9,694	2008	2008
Meridian Business 940	Industrial	—	2,674	6,923	2,237	2,674	9,160	11,834	2,594	1998	2012
Butterfield 4000	Industrial	—	3,132	12,639	70	3,132	12,709	15,841	2,502	2016	2016
Butterfield 2850	Industrial	—	11,317	18,305	130	11,317	18,435	29,752	4,243	2016	2016
Butterfield 4200	Industrial	—	5,777	13,108	2,762	5,967	15,680	21,647	3,731	2016	2016
Butterfield 2865	Industrial	—	28,151	41,112	14	28,151	41,126	69,277	7,342	2017	2017
Austell, Georgia											
Hartman Business 7545	Industrial	—	2,640	21,471	29	2,640	21,500	24,140	6,918	2008	2012
240 The Bluffs	Industrial	—	6,138	15,447	3,078	6,138	18,525	24,663	696	2018	2018
Baltimore, Maryland											
Chesapeake Commerce 5901	Industrial	—	3,345	1,355	3,957	3,365	5,292	8,657	3,269	2008	2008
Chesapeake Commerce 5003	Industrial	—	6,488	7,087	3,620	6,546	10,649	17,195	5,510	2008	2008
Chesapeake Commerce 2010	Industrial	—	37,557	38,011	36	37,727	37,877	75,604	17,001	2014	2014
Chesapeake Commerce 5501	Industrial	—	13,724	8,043	4,518	13,782	12,503	26,285	5,118	2014	2014
Chesapeake Commerce 1500	Industrial	—	8,289	10,268	105	8,333	10,329	18,662	2,881	2016	2016
Chesapeake Commerce 5900	Industrial	—	5,567	6,100	870	5,567	6,970	12,537	1,275	2017	2017
Batavia, Ohio											
S Afton Industrial Park 3001	Industrial	—	5,729	20,720	—	5,729	20,720	26,449	718	2019	2019
Baytown, Texas											
4570 E. Greenwood	Industrial	—	9,323	5,934	—	9,323	5,934	15,257	4,937	2005	2007
Bloomingdale, Georgia											
Morgan Business Center 400	Industrial	—	18,385	44,455	520	18,385	44,975	63,360	4,591	2017	2017
Bolingbrook, Illinois											
250 East Old Chicago Road	Industrial	—	3,050	4,038	142	3,050	4,180	7,230	3,282	2005	2005
Crossroads 2	Industrial	—	1,418	5,482	921	1,418	6,403	7,821	2,608	1998	2010
Crossroads 375	Industrial	—	1,330	4,371	523	1,330	4,894	6,224	1,959	2000	2010
Crossroads Parkway 370	Industrial	—	2,409	4,236	881	2,409	5,117	7,526	1,879	1989	2011
Crossroads Parkway 605	Industrial	—	3,656	7,587	2,559	3,656	10,146	13,802	2,849	1998	2011
Crossroads Parkway 335	Industrial	—	2,574	8,342	779	2,574	9,121	11,695	2,678	1997	2012

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
Boynton Beach, Florida											
Gateway Center 1103	Industrial	—	4,271	5,313	1,752	4,271	7,065	11,336	3,015	2002	2010
Gateway Center 3602	Industrial	—	2,006	4,584	216	2,006	4,800	6,806	1,682	2002	2010
Gateway Center 3402	Industrial	—	2,381	3,218	763	2,381	3,981	6,362	1,506	2002	2010
Gateway Center 2055	Industrial	—	1,800	2,583	192	1,800	2,775	4,575	1,060	2000	2010
Gateway Center 2045	Industrial	—	1,238	1,541	1,174	1,238	2,715	3,953	1,293	2000	2010
Gateway Center 2035	Industrial	—	1,238	1,304	699	1,238	2,003	3,241	772	2000	2010
Gateway Center 2025	Industrial	—	1,800	2,658	217	1,800	2,875	4,675	1,112	2000	2010
Gateway Center 1926	Industrial	—	4,781	9,900	2,043	4,781	11,943	16,724	4,839	2004	2010
Braselton, Georgia											
Braselton Business 920	Industrial	—	1,365	7,713	5,003	1,529	12,552	14,081	5,956	2001	2001
625 Braselton Pkwy	Industrial	—	9,855	21,010	5,895	11,062	25,698	36,760	15,089	2006	2005
1350 Braselton Parkway	Industrial	—	8,227	8,856	5,360	8,227	14,216	22,443	10,428	2008	2008
1380 Jesse Cronic Rd	Industrial	—	8,519	17,534	—	8,519	17,534	26,053	991	2019	2019
Brentwood, Tennessee											
Brentwood South Business 7104	Industrial	—	1,065	4,410	1,802	1,065	6,212	7,277	3,234	1987	1999
Brentwood South Business 7106	Industrial	—	1,065	1,844	1,950	1,065	3,794	4,859	1,976	1987	1999
Brentwood South Business 7108	Industrial	—	848	3,233	1,460	848	4,693	5,541	2,529	1989	1999
Bridgeton, Missouri											
DukePort 13870	Industrial	—	2,124	5,316	720	2,124	6,036	8,160	2,739	1996	2010
DukePort 13890	Industrial	—	1,470	2,701	184	1,470	2,885	4,355	1,383	1997	2010
DukePort 4730	Industrial	—	600	2,690	463	600	3,153	3,753	1,100	1998	2010
DukePort 13269	Industrial	—	1,664	5,752	416	1,664	6,168	7,832	2,740	1999	2010
DukePort 4745	Industrial	—	834	3,622	371	834	3,993	4,827	1,360	1999	2010
DukePort 13201	Industrial	—	2,475	5,459	2,105	2,475	7,564	10,039	3,092	2001	2010
Brooklyn Park, Minnesota											
7300 Northland Drive	Industrial	—	700	5,289	673	703	5,959	6,662	3,076	1999	1998
Crosstown North 9201	Industrial	—	835	4,433	1,536	1,121	5,683	6,804	2,978	1998	1999
Crosstown North 8400	Industrial	—	2,079	4,926	2,308	2,233	7,080	9,313	3,506	1999	1999
Crosstown North 9100	Industrial	—	1,079	3,743	1,005	1,166	4,661	5,827	2,286	2000	2000
Crosstown North 9200	Industrial	—	2,723	2,674	2,706	2,723	5,380	8,103	3,248	2005	2005
Crosstown North 7601	Industrial	—	4,564	7,472	1,228	4,564	8,700	13,264	4,849	2005	2005
Brookshire, Texas											
Katy 90	Industrial	—	23,245	50,678	(62)	23,245	50,616	73,861	4,572	2018	2018

(in thousands)

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019					
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Buena Park, California											
6280 Artesia Boulevard	Industrial	—	28,582	5,010	504	28,582	5,514	34,096	622	2005	2017
Carol Stream, Illinois											
Carol Stream 815	Industrial	—	3,037	11,210	2,029	3,037	13,239	16,276	5,487	2004	2003
Carol Stream 640	Industrial	—	1,095	3,200	454	1,095	3,654	4,749	1,437	1998	2010
Carol Stream 370	Industrial	—	1,556	5,960	822	1,569	6,769	8,338	2,418	2002	2010
250 Kehoe Boulevard	Industrial	—	1,715	7,552	250	1,715	7,802	9,517	2,446	2008	2011
Carol Stream 720	Industrial	—	4,031	17,759	1,019	4,751	18,058	22,809	5,799	1999	2011
Carteret, New Jersey											
900 Federal Blvd.	Industrial	—	2,088	24,712	7	2,088	24,719	26,807	2,384	2017	2017
Chino, California											
13799 Monte Vista	Industrial	—	14,046	8,236	2,230	14,046	10,466	24,512	5,349	2013	2013
Cincinnati, Ohio											
311 Elm Street - Leasehold Improvements	Other	—	—	4,760	2,018	—	6,778	6,778	6,556	1986	1993
Kenwood Commons 8230	Office	623	638	42	1,342	638	1,384	2,022	689	1986	1993
Kenwood Commons 8280	Office	1,277	638	282	1,643	638	1,925	2,563	874	1986	1993
World Park 5389	Industrial	—	1,133	5,550	1,168	1,133	6,718	7,851	2,126	1994	2010
World Park 5232	Industrial	—	1,268	5,104	120	1,268	5,224	6,492	1,858	1997	2010
World Park 5399	Industrial	—	870	5,251	787	870	6,038	6,908	2,220	1998	2010
World Park 5265	Industrial	—	2,492	11,905	4,632	2,492	16,537	19,029	5,731	1999	2010
City of Industry, California											
825 Ajax Ave	Industrial	—	38,930	27,627	8,133	38,930	35,760	74,690	3,257	2017	2017
College Station, Texas											
Baylor College Station MOB	Medical Office	—	5,551	33,770	4,146	5,551	37,916	43,467	13,389	2013	2013
Columbus, Ohio											
RGLP Intermodal North 9224	Industrial	—	1,550	19,873	885	1,550	20,758	22,308	2,438	2016	2016
RGLP Intermodal S 9799	Industrial	—	13,065	44,159	—	13,065	44,159	57,224	2,461	2018	2018

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost Land	Initial Cost Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019 Land/Land Imp	Gross Book Value 12/31/2019 Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Coppell, Texas											
Freeport X	Industrial	—	2,145	12,784	3,641	2,145	16,425	18,570	6,487	2004	2004
Point West 400	Industrial	—	10,181	12,803	9,024	10,475	21,533	32,008	11,729	2008	2008
Point West 240	Industrial	—	6,785	11,700	8,143	7,519	19,109	26,628	12,371	2008	2008
Point West 120	Industrial	—	3,267	8,695	1,024	3,267	9,719	12,986	3,464	2015	2015
Corona, California											
1283 Sherborn Street	Industrial	—	8,677	16,753	66	8,677	16,819	25,496	7,865	2005	2011
Cranbury, New Jersey											
311 Half Acre Road	Industrial	—	6,600	14,636	—	6,600	14,636	21,236	4,242	2004	2013
315 Half Acre Road	Industrial	—	14,100	30,084	—	14,100	30,084	44,184	8,605	2004	2013
Davenport, Florida											
Park 27 Distribution 210	Industrial	—	1,143	5,052	592	1,198	5,589	6,787	2,325	2003	2003
Park 27 Distribution 220	Industrial	—	4,374	5,066	5,850	4,502	10,788	15,290	5,540	2007	2007
Davie, Florida											
Westport Business Park 2555	Industrial	—	1,200	1,276	81	1,200	1,357	2,557	742	1991	2011
Westport Business Park 2501	Industrial	—	1,088	779	245	1,088	1,024	2,112	591	1991	2011
Westport Business Park 2525	Industrial	—	2,363	5,791	1,267	2,363	7,058	9,421	2,392	1991	2011
Deer Park, Texas											
801 Seaco Court	Industrial	—	2,331	4,673	632	2,331	5,305	7,636	1,709	2006	2012
Des Moines, Washington											
21202 24th Ave South	Industrial	—	18,720	36,496	43	18,720	36,539	55,259	1,736	2018	2018
21402 24th Ave South	Industrial	—	18,970	31,048	969	18,970	32,017	50,987	1,401	2018	2018
Duluth, Georgia											
Sugarloaf 2775	Industrial	—	560	4,298	1,211	560	5,509	6,069	2,681	1997	1999
Sugarloaf 3079	Industrial	—	776	4,536	3,623	776	8,159	8,935	3,956	1998	1999
Sugarloaf 2855	Industrial	—	765	2,618	1,860	765	4,478	5,243	2,202	1999	1999
Sugarloaf 6655	Industrial	—	1,651	6,804	1,748	1,651	8,552	10,203	4,025	1998	2001
2625 Pinemeadow Court	Industrial	—	861	3,107	676	861	3,783	4,644	1,211	1994	2010
2660 Pinemeadow Court	Industrial	—	540	2,234	302	540	2,536	3,076	1,321	1996	2010
2450 Satellite Boulevard	Industrial	—	556	1,897	451	556	2,348	2,904	963	1994	2010
DuPont, Washington											
2700 Center Drive	Industrial	—	34,413	37,943	520	34,582	38,294	72,876	13,472	2013	2013
Durham, North Carolina											
Centerpoint Raleigh 1805	Industrial	—	4,110	10,343	5,060	4,110	15,403	19,513	5,319	2000	2011
Centerpoint Raleigh 1757	Industrial	—	2,998	8,722	14	2,998	8,736	11,734	2,728	2007	2011

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
Eagan, Minnesota											
Apollo 920	Industrial	—	866	3,234	2,076	895	5,281	6,176	2,915	1997	1997
Apollo 940	Industrial	—	474	2,092	808	474	2,900	3,374	1,397	2000	2000
Apollo 950	Industrial	—	1,432	5,988	127	1,432	6,115	7,547	3,008	2000	2000
2015 Silver Bell Road	Industrial	—	1,740	4,180	2,864	1,740	7,044	8,784	3,767	1999	1999
Trapp 1279	Industrial	—	671	3,441	969	691	4,390	5,081	2,198	1996	1998
Trapp 1245	Industrial	—	1,250	5,424	1,657	1,250	7,081	8,331	3,735	1998	1998
Earth City, Missouri											
Corporate Trail 3655	Industrial	—	2,850	4,597	2,526	2,875	7,098	9,973	4,311	2006	2006
East Point, Georgia											
Camp Creek 2400	Industrial	—	296	627	2,310	300	2,933	3,233	1,336	1988	2001
Camp Creek 2600	Industrial	—	364	824	1,680	368	2,500	2,868	1,265	1990	2001
Camp Creek 3201	Industrial	—	1,937	7,426	4,202	1,937	11,628	13,565	5,007	2004	2004
Camp Creek 3900	Industrial	—	1,059	2,919	2,372	1,220	5,130	6,350	2,883	2005	2005
Camp Creek 3909	Industrial	—	5,687	1,309	26,522	15,168	18,350	33,518	15,463	2014	2006
Camp Creek 4200	Industrial	—	2,065	7,037	3,677	2,438	10,341	12,779	6,199	2006	2006
Camp Creek 3000	Industrial	—	1,163	1,020	1,479	1,258	2,404	3,662	1,640	2007	2007
Camp Creek 4800	Industrial	—	2,476	3,906	2,252	2,740	5,894	8,634	3,367	2008	2008
Camp Creek 4100	Industrial	—	3,130	9,115	554	3,327	9,472	12,799	3,283	2013	2013
Camp Creek 3700	Industrial	—	1,878	3,842	100	1,883	3,937	5,820	1,716	2014	2014
Camp Creek 4909	Industrial	—	7,807	14,321	3,778	7,851	18,055	25,906	4,124	2016	2016
Camp Creek 3707	Industrial	—	7,282	20,538	3	7,282	20,541	27,823	3,926	2017	2017
Camp Creek 4505	Industrial	—	4,505	9,697	3,639	4,505	13,336	17,841	1,294	2017	2017
Site S Parking Lot	Grounds	—	4,469	—	303	4,772	—	4,772	343	n/a	2018
Camp Creek 4900	Industrial	—	3,244	7,758	—	3,244	7,758	11,002	344	2019	2019
Easton, Pennsylvania											
33 Logistics Park 1610	Industrial	—	24,752	55,500	1,884	24,762	57,374	82,136	13,964	2016	2016
33 Logistics Park 1611	Industrial	—	17,979	20,882	1,968	17,979	22,850	40,829	4,264	2017	2017
33 Logistics Park 1620	Industrial	—	29,786	33,023	913	29,850	33,872	63,722	3,173	2018	2018
Edwardsville, Illinois											
Lakeview Commerce 3965	Industrial	—	4,561	18,593	248	4,561	18,841	23,402	7,132	2006	2013
Elk Grove Village, Illinois											
1717 Busse Road	Industrial	9,803	3,602	19,016	37	3,602	19,053	22,655	6,175	2004	2011
Ellenwood, Georgia											
2529 Old Anvil Block	Industrial	—	4,664	9,265	446	4,664	9,711	14,375	2,913	2014	2014

(in thousands)

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019					
Name	Asset Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Fairfield, Ohio											
Union Centre Industrial 6019	Industrial	—	5,635	6,576	2,706	5,635	9,282	14,917	5,233	2008	2008
Union Centre Industrial 5855	Industrial	—	3,009	15,387	2,063	3,009	17,450	20,459	2,720	2016	2016
Fairfield Logistics Ctr 7940	Industrial	—	4,679	8,237	736	4,689	8,963	13,652	549	2018	2018
Fishers, Indiana											
Exit 5 9998	Industrial	—	581	2,561	1,032	581	3,593	4,174	1,932	1999	1999
Exit 5 9888	Industrial	—	555	2,498	1,614	555	4,112	4,667	2,204	2000	2000
Flower Mound, Texas											
Lakeside Ranch 550	Industrial	—	9,861	19,299	515	9,861	19,814	29,675	9,619	2007	2011
Lakeside Ranch 1001	Industrial	—	5,662	23,061	—	5,662	23,061	28,723	756	2019	2019
Lakeside Ranch 350	Industrial	—	3,665	10,105	—	3,665	10,105	13,770	—	2019	2019
Fontana, California											
14970 Jurupa Ave	Grounds	—	17,306	—	—	17,306	—	17,306	767	n/a	2016
7953 Cherry Ave	Industrial	—	6,704	12,521	824	6,704	13,345	20,049	1,877	2017	2017
9988 Redwood Ave	Industrial	—	7,755	16,326	695	7,755	17,021	24,776	2,724	2016	2017
11250 Poplar Ave	Industrial	—	18,138	33,586	—	18,138	33,586	51,724	4,419	2016	2017
16171 Santa Ana Ave	Industrial	—	13,681	13,331	25	13,681	13,356	27,037	916	2018	2018
Fort Lauderdale, Florida											
Interstate 95 2200	Industrial	—	9,332	13,401	2,123	9,332	15,524	24,856	1,708	2017	2017
Interstate 95 2100	Industrial	—	10,948	18,681	—	10,948	18,681	29,629	1,892	2017	2017
Fort Worth, Texas											
Riverpark 3300	Industrial	—	3,975	10,633	662	3,975	11,295	15,270	5,899	2007	2011
Franklin, Tennessee											
Aspen Grove Business 277	Industrial	—	936	2,919	4,208	936	7,127	8,063	3,667	1996	1999
Aspen Grove Business 320	Industrial	—	1,151	5,824	1,630	1,151	7,454	8,605	3,881	1996	1999
Aspen Grove Business 305	Industrial	—	970	4,677	1,083	970	5,760	6,730	2,961	1998	1999
Aspen Grove Business 400	Industrial	—	492	1,677	1,223	492	2,900	3,392	1,073	2002	2002
Brentwood South Business 119	Industrial	—	569	1,063	1,523	569	2,586	3,155	1,304	1990	1999
Brentwood South Business 121	Industrial	—	445	1,563	462	445	2,025	2,470	1,021	1990	1999
Brentwood South Business 123	Industrial	—	489	962	1,356	489	2,318	2,807	1,179	1990	1999
Franklin Park, Illinois											
11501 West Irving Park Road	Industrial	—	3,900	2,702	1,590	3,900	4,292	8,192	1,922	2007	2007
Fullerton, California											
500 Burning Tree Rd	Industrial	—	7,336	4,435	—	7,336	4,435	11,771	605	1991	2018

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019			Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
700 Burning Tree Rd	Industrial	—	5,001	4,915	—	5,001	4,915	9,916	415	1991	2018
Garden City, Georgia											
Aviation Court Land	Grounds	—	1,509	—	—	1,509	—	1,509	264	n/a	2006
Garner, North Carolina											
Greenfield North 600	Industrial	—	597	2,456	536	598	2,991	3,589	1,020	2006	2011

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost Land	Initial Cost Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019 Land/Land Imp	Gross Book Value 12/31/2019 Bldgs/TI	Gross Book Value 12/31/2019 Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Greenfield North 700	Industrial	—	468	2,054	295	469	2,348	2,817	763	2007	2011
Greenfield North 800	Industrial	—	438	5,772	447	440	6,217	6,657	1,799	2004	2011
Greenfield North 900	Industrial	—	422	5,792	1,442	425	7,231	7,656	2,041	2007	2011
Greenfield North 1000	Industrial	—	1,897	6,026	14	1,897	6,040	7,937	1,531	2016	2016
Greenfield North 1001	Industrial	—	2,517	5,494	2,401	2,517	7,895	10,412	1,069	2017	2017
N. Greenfield Pkwy Ground DCLP	Grounds	—	189	222	10	189	232	421	180	n/a	2015
Geneva, Illinois											
1800 Averill Road	Industrial	—	3,189	11,582	7,640	4,778	17,633	22,411	5,018	2013	2011
Gibsonton, Florida											
Tampa Regional Ind Park 13111	Industrial	—	10,547	8,662	1,964	10,547	10,626	21,173	1,872	2017	2017
Tampa Regional Ind Park 13040	Industrial	—	13,184	13,475	592	13,184	14,067	27,251	1,191	2018	2018
Glendale Heights, Illinois											
990 North Avenue	Industrial	—	12,144	5,933	1,813	12,324	7,566	19,890	522	2018	2018
Grand Prairie, Texas											
Grand Lakes 4003	Industrial	—	8,106	9,124	15,357	9,595	22,992	32,587	10,210	2006	2006
Grand Lakes 3953	Industrial	—	11,853	11,851	13,364	11,853	25,215	37,068	13,590	2008	2008
1803 W. Pioneer Parkway	Industrial	—	7,381	15,389	45	7,381	15,434	22,815	7,576	2008	2011
Grand Lakes 4053	Industrial	—	2,468	6,599	1,214	2,468	7,813	10,281	689	2018	2018
Groveport, Ohio											
Groveport Commerce Center 6200	Industrial	—	1,049	5,123	2,797	1,049	7,920	8,969	4,302	1999	1999
Groveport Commerce Center 6300	Industrial	—	510	2,395	2,309	510	4,704	5,214	2,191	2000	2000
Groveport Commerce Center 6295	Industrial	—	435	5,435	2,234	435	7,669	8,104	3,746	2000	2000
Groveport Commerce Center 6405	Industrial	—	4,420	10,322	992	4,420	11,314	15,734	7,408	2005	2005
RGLP North 2842	Industrial	—	5,680	23,853	6	5,680	23,859	29,539	7,083	2008	2010
Hazelwood, Missouri											
Lindbergh Distribution 5801	Industrial	—	8,200	9,304	3,775	8,491	12,788	21,279	6,657	2007	2007
Hebron, Kentucky											
Hebron 2305	Industrial	—	8,855	10,797	19,323	9,511	29,464	38,975	18,215	2006	2006
Hebron 2285	Industrial	—	6,790	6,730	4,992	6,813	11,699	18,512	6,842	2007	2007
Skyport 2350	Industrial	—	1,057	5,784	92	1,057	5,876	6,933	2,017	1997	2010
Skyport 2250	Industrial	—	1,400	8,771	535	1,400	9,306	10,706	3,232	1998	2010
Skyport 2245	Industrial	—	2,016	8,305	1,118	2,016	9,423	11,439	3,144	2000	2010
Skyport 2265	Industrial	—	2,878	6,038	973	2,878	7,011	9,889	3,917	2006	2010

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost: Land	Initial Cost: Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019: Land/Land Imp	Gross Book Value 12/31/2019: Bldgs/TI	Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Southpark 1990	Industrial	—	366	8,344	—	366	8,344	8,710	1,257	2016	2016
Hialeah, Florida											
Countyline Corporate Park 3740	Industrial	—	18,934	11,560	45	18,934	11,605	30,539	1,470	2018	2018
Countyline Corporate Park 3780	Industrial	—	21,445	22,144	27	21,445	22,171	43,616	1,926	2018	2018
Countyline Corporate Park 3760	Industrial	—	32,802	52,633	48	32,802	52,681	85,483	3,949	2018	2018
Countyline Corporate Park 3840	Industrial	—	15,906	15,453	240	15,906	15,693	31,599	1,131	2018	2018
Countyline Corporate Park 3850	Industrial	—	18,270	17,567	—	18,270	17,567	35,837	360	2019	2019
Countyline Corporate Park 3870	Industrial	—	17,605	17,336	—	17,605	17,336	34,941	267	2019	2019
Hialeah Gardens, Florida											
Miami Ind Logistics Ctr 15002	Industrial	—	10,671	14,071	2,324	10,671	16,395	27,066	2,300	2017	2017
Miami Ind Logistics Ctr 14802	Industrial	—	10,800	14,236	3,556	10,800	17,792	28,592	2,188	2017	2017
Miami Ind Logistics Ctr 10701	Industrial	—	13,048	17,204	2,611	13,048	19,815	32,863	3,039	2017	2017
Hopkins, Minnesota											
Cornerstone 401	Industrial	—	1,454	7,623	2,604	1,454	10,227	11,681	5,427	1996	1997
Houston, Texas											
Point North 8210	Industrial	—	3,125	2,178	2,675	3,125	4,853	7,978	3,128	2008	2008
Point North 8120	Industrial	—	4,210	2,108	4,548	4,581	6,285	10,866	2,323	2013	2013
Point North 8111	Industrial	—	3,957	15,093	642	3,957	15,735	19,692	3,971	2014	2014
Point North 8411	Industrial	—	5,333	6,946	1,974	5,333	8,920	14,253	2,799	2015	2015
Westland 8323	Industrial	—	4,183	2,574	3,657	4,417	5,997	10,414	3,834	2008	2008
Westland 13788	Industrial	—	3,246	8,338	969	3,246	9,307	12,553	4,213	2011	2011
Gateway Northwest 20710	Industrial	—	7,204	8,028	4,167	7,204	12,195	19,399	3,680	2014	2014
Gateway Northwest 20702	Industrial	—	2,981	3,122	1,426	2,981	4,548	7,529	1,641	2014	2014
Gateway Northwest 20502	Industrial	—	2,987	5,342	21	2,987	5,363	8,350	1,416	2016	2016
22008 N Berwick Drive	Industrial	—	2,981	4,949	873	2,981	5,822	8,803	1,008	2002	2015
Gateway Northwest 20510	Industrial	—	6,787	11,501	792	6,787	12,293	19,080	1,250	2018	2018
Point North Three	Industrial	—	6,503	10,357	—	6,503	10,357	16,860	427	2019	2019
Huntley, Illinois											
14100 Weber Drive	Industrial	—	7,539	34,069	58	7,539	34,127	41,666	5,632	2015	2015
Hutchins, Texas											
801 Wintergreen Road	Industrial	—	5,290	9,115	2,683	5,290	11,798	17,088	7,363	2006	2006
Prime Pointe 1005	Industrial	—	5,865	19,420	59	5,865	19,479	25,344	3,481	2016	2016
Prime Pointe 1015	Industrial	—	8,356	16,319	2,443	8,356	18,762	27,118	1,628	2018	2018
Indianapolis, Indiana											
Park 100 5550	Industrial	—	1,171	12,611	675	1,424	13,033	14,457	7,792	1997	1995

(in thousands)

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019					
Name	**Asset Type**	**Encumbrances**	**Land**	**Buildings**		**Land/Land Imp**	**Bldgs/TI**	**Total (1)**	**Accum. Depr. (2)**	**Year Constructed/Renovated**	**Year Acquired**
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	786	n/a	2006
North Airport Park 7750	Industrial	—	1,800	4,329	768	1,800	5,097	6,897	1,878	1997	2010
Park 100 5010	Industrial	—	690	1,687	674	690	2,361	3,051	1,065	1984	2010
Park 100 5134	Industrial	—	642	2,014	198	642	2,212	2,854	862	1984	2010

(in thousands)

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Park 100 5302	Industrial	—	427	1,257	459	427	1,716	2,143	853	1989	2010
Park 100 5303	Industrial	—	427	1,737	372	427	2,109	2,536	860	1989	2010
Park 100 7225	Industrial	—	1,152	13,349	824	1,152	14,173	15,325	4,648	1996	2010
Park 100 4925	Industrial	—	1,280	8,588	2,410	1,280	10,998	12,278	3,797	2000	2010
Kutztown, Pennsylvania											
West Hills 9645	Industrial	—	15,340	47,981	623	15,340	48,604	63,944	11,906	2014	2014
West Hills 9677	Industrial	—	5,218	13,029	68	5,218	13,097	18,315	3,113	2015	2015
La Miranda, California											
16501 Trojan Way	Industrial	—	23,503	30,945	125	23,503	31,070	54,573	9,143	2002	2012
16301 Trojan Way	Industrial	—	39,645	22,164	7	39,645	22,171	61,816	1,683	2018	2018
Lancaster, Texas											
Lancaster 2820	Industrial	—	9,786	22,270	—	9,786	22,270	32,056	1,983	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	1,131	2004	2004
Lebanon, Indiana											
Lebanon Park 185	Industrial	—	177	8,664	1,534	177	10,198	10,375	5,403	2000	1997
Lebanon Park 322	Industrial	—	340	6,230	1,578	340	7,808	8,148	3,913	1999	1999
Lebanon Park 400	Industrial	—	1,517	11,158	944	1,517	12,102	13,619	5,125	2003	2003
Lebanon Park 420	Industrial	—	561	3,776	750	561	4,526	5,087	2,022	2003	2003
Lebanon Park 500	Industrial	—	2,813	10,741	2,941	2,813	13,682	16,495	7,234	2005	2005
Lebanon Park 210	Industrial	—	312	3,568	211	312	3,779	4,091	1,495	1996	2010
Lebanon Park 311	Industrial	—	699	7,847	1,016	699	8,863	9,562	3,376	1998	2010
Lebanon, Tennessee											
Park 840 West 14840	Industrial	—	6,776	8,449	6,061	6,776	14,510	21,286	9,472	2006	2006
Park 840 East 1009	Industrial	—	7,731	14,854	1,412	7,852	16,145	23,997	7,503	2013	2013
Linden, New Jersey											
Legacy Commerce Center 801	Industrial	—	22,134	23,645	3,852	22,134	27,497	49,631	6,476	2014	2014
Legacy Commerce Center 301	Industrial	—	6,933	8,575	168	6,933	8,743	15,676	1,975	2015	2015
Legacy Commerce Center 901	Industrial	—	25,935	19,806	2,301	25,937	22,105	48,042	4,280	2016	2016
Lithia Springs, Georgia											
2601 Skyview Drive	Industrial	—	4,282	9,534	58	4,282	9,592	13,874	1,639	2016	2017

(in thousands)

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Lockport, Illinois											
Lockport 16328	Industrial	—	3,339	17,446	460	3,339	17,906	21,245	2,118	2016	2017
Lockport 16410	Industrial	—	2,677	16,117	285	2,677	16,402	19,079	1,879	2016	2017
Lockport 16508	Industrial	—	4,520	17,472	2,517	4,520	19,989	24,509	2,086	2017	2017
Lockbourne, Ohio											
Creekside 2120	Industrial	—	2,868	15,406	823	2,868	16,229	19,097	4,910	2008	2012
Creekside 4555	Industrial	—	1,947	11,453	326	1,947	11,779	13,726	3,477	2005	2012
Logan Township, New Jersey											
1130 Commerce Boulevard	Industrial	—	3,770	18,699	1,607	3,770	20,306	24,076	5,110	2002	2013
Long Beach, California											
3700 Cover Street	Industrial	—	7,280	6,954	—	7,280	6,954	14,234	2,633	2012	2013
Lynwood, California											
2700 East Imperial Highway	Industrial	—	16,847	17,865	56	16,847	17,921	34,768	6,524	1999	2011
11600 Alameda Street	Industrial	—	10,705	10,979	1,308	10,958	12,034	22,992	1,234	2017	2017
Manteca, California											
600 Spreckels Avenue	Industrial	—	4,851	18,985	317	4,851	19,302	24,153	5,555	1999	2012
Maple Grove, Minnesota											
Arbor Lakes 10500	Industrial	—	4,803	9,891	1,335	4,912	11,117	16,029	517	2018	2018
Arbor Lakes 10501	Industrial	—	5,363	17,713	—	5,363	17,713	23,076	612	2019	2019
Park 81 10750	Industrial	—	3,971	9,414	—	3,971	9,414	13,385	164	2019	2019
Maryland Heights, Missouri											
Riverport 3128	Industrial	—	733	1,492	2,875	733	4,367	5,100	2,066	2001	2001
Riverport 3101	Industrial	—	1,864	3,072	2,250	1,864	5,322	7,186	3,293	2007	2007
McDonough, Georgia											
Liberty Distribution 120	Industrial	—	615	8,117	1,351	615	9,468	10,083	5,111	1997	1999
Liberty Distribution 250	Industrial	—	2,273	10,910	6,909	3,428	16,664	20,092	7,105	2001	2001
Mechanicsburg, Pennsylvania											
500 Independence Avenue	Industrial	—	4,494	15,007	512	4,499	15,514	20,013	3,673	2008	2013
Melrose Park, Illinois											
1600 North 25th Avenue	Industrial	—	5,907	17,516	275	5,907	17,791	23,698	6,356	2000	2010
Miami, Florida											
9601 NW 112 Avenue	Industrial	—	11,626	14,651	8	11,626	14,659	26,285	4,230	2003	2013

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost Land	Initial Cost Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019 Land/Land Imp	Gross Book Value 12/31/2019 Bldgs/TI	Gross Book Value 12/31/2019 Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Minooka, Illinois											
Midpoint Distribution 801	Industrial	—	6,282	33,196	627	6,282	33,823	40,105	9,227	2008	2013
Modesto, California											
1000 Oates Court	Industrial	—	10,115	16,944	215	10,115	17,159	27,274	6,435	2002	2012
Monroe Twp., New Jersey											
773 Cranbury South River Road	Industrial	—	3,001	36,527	112	3,001	36,639	39,640	4,089	2016	2017
Moreno Valley, California											
17791 Perris Boulevard	Industrial	—	67,806	74,531	81	67,806	74,612	142,418	7,117	2014	2017
15810 Heacock Street	Industrial	—	9,727	18,882	799	9,727	19,681	29,408	1,616	2017	2017
24975 Nandina Ave	Industrial	—	13,322	17,214	—	13,322	17,214	30,536	278	2019	2019
24960 San Michele	Industrial	—	8,336	13,779	—	8,336	13,779	22,115	701	2019	2019
Morgans Point, Texas											
Barbours Cut 1200	Industrial	—	1,482	8,209	90	1,482	8,299	9,781	3,621	2004	2010
Barbours Cut 1000	Industrial	—	1,447	8,471	168	1,447	8,639	10,086	3,756	2005	2010
Morrisville, North Carolina											
Perimeter Park 3000	Industrial	—	482	1,982	1,666	491	3,639	4,130	1,811	1989	1999
Perimeter Park 2900	Industrial	—	235	1,314	1,699	241	3,007	3,248	1,489	1990	1999
Perimeter Park 2800	Industrial	—	777	4,151	1,395	791	5,532	6,323	2,922	1992	1999
Perimeter Park 2700	Industrial	—	662	1,081	2,330	662	3,411	4,073	1,513	2001	2001
Woodlake 100	Industrial	—	633	3,183	2,080	1,132	4,764	5,896	2,329	1994	1999
Woodlake 101	Industrial	—	615	3,868	541	615	4,409	5,024	2,192	1997	1999
Woodlake 200	Industrial	—	357	3,688	897	357	4,585	4,942	2,293	1999	1999
Woodlake 501	Industrial	—	640	5,477	529	640	6,006	6,646	3,007	1999	1999
Woodlake 1000	Industrial	—	514	2,768	549	514	3,317	3,831	1,406	1996	2002
Woodlake 1200	Industrial	—	740	4,155	629	740	4,784	5,524	2,078	1996	2002
Woodlake 400	Industrial	—	390	1,055	454	390	1,509	1,899	607	2004	2004
Myerstown, Pennsylvania											
Central Logistics Park 53	Industrial	—	24,251	24,366	1,986	24,661	25,942	50,603	2,511	2018	2018
Naperville, Illinois											
1835 Jefferson	Industrial	—	2,209	7,921	462	2,213	8,379	10,592	3,250	2005	2003
175 Ambassador Drive	Industrial	—	4,778	11,252	11	4,778	11,263	16,041	4,589	2006	2010
1860 West Jefferson	Industrial	—	7,016	35,581	88	7,016	35,669	42,685	12,873	2000	2012
Nashville, Tennessee											
Airpark East 800	Industrial	—	1,564	2,129	1,593	1,564	3,722	5,286	1,720	2002	2002
Nashville Business 3300	Industrial	—	936	4,773	1,899	936	6,672	7,608	3,314	1997	1999

(in thousands)

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			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
Nashville Business 3438	Industrial	—	5,659	8,165	2,184	5,659	10,349	16,008	6,379	2005	2005
Four-Forty Business 700	Industrial	—	938	6,354	714	938	7,068	8,006	3,589	1997	1999
Four-Forty Business 684	Industrial	—	1,812	6,561	2,532	1,812	9,093	10,905	4,527	1998	1999
Four-Forty Business 782	Industrial	—	1,522	4,820	1,825	1,522	6,645	8,167	3,357	1997	1999
Four-Forty Business 784	Industrial	—	471	2,153	1,749	471	3,902	4,373	2,087	1999	1999
Four-Forty Business 701	Industrial	—	1,108	4,763	115	1,108	4,878	5,986	1,585	1996	2010
Newark, New Jersey											
429 Delancy Street	Industrial	—	60,393	44,803	—	60,393	44,803	105,196	—	2019	2019
Northlake, Illinois											
Northlake Distribution 635	Industrial	—	5,721	9,008	1,134	5,721	10,142	15,863	4,266	2002	2002
Northlake Distribution 599	Industrial	—	5,382	5,685	3,568	5,382	9,253	14,635	4,883	2006	2006
200 Champion Way	Industrial	—	3,554	11,528	829	3,554	12,357	15,911	3,600	1997	2011
Orange, California											
210 W Baywood Ave	Industrial	—	5,066	4,515	1,741	5,066	6,256	11,322	322	1989	2018
Orlando, Florida											
2502 Lake Orange	Industrial	—	2,331	3,235	348	2,331	3,583	5,914	1,472	2003	2003

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost: Land	Initial Cost: Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019: Land/Land Imp	Gross Book Value 12/31/2019: Bldgs/TI	Gross Book Value 12/31/2019: Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
Parksouth Distribution 2500	Industrial	—	565	4,360	2,057	570	6,412	6,982	3,136	1996	1999
Parksouth Distribution 2490	Industrial	—	493	4,170	981	498	5,146	5,644	2,777	1997	1999
Parksouth Distribution 2491	Industrial	—	593	3,150	1,349	597	4,495	5,092	2,170	1998	1999
Parksouth Distribution 9600	Industrial	—	649	4,111	1,224	653	5,331	5,984	2,829	1997	1999
Parksouth Distribution 9550	Industrial	—	1,030	4,207	3,233	1,035	7,435	8,470	3,313	1999	1999
Parksouth Distribution 2481	Industrial	—	725	2,245	1,479	730	3,719	4,449	1,824	2000	2000
Parksouth Distribution 9592	Industrial	—	623	1,646	155	623	1,801	2,424	781	2003	2003
Crossroads Business Park 301	Industrial	—	2,803	2,804	4,149	2,803	6,953	9,756	3,529	2006	2006
Crossroads Business Park 601	Industrial	—	2,701	3,571	2,073	2,701	5,644	8,345	2,798	2007	2007
7133 Municipal Drive	Industrial	—	5,817	6,820	12	5,817	6,832	12,649	604	2018	2018
Otsego, Minnesota											
Gateway North 6301	Industrial	—	1,543	6,515	6,009	2,783	11,284	14,067	1,868	2015	2015
Gateway North 6651	Industrial	—	3,667	16,249	129	3,748	16,297	20,045	3,232	2015	2015
Gateway North 6701	Industrial	—	3,266	11,653	186	3,374	11,731	15,105	2,805	2014	2014
Gateway North 6651 Exp Land	Grounds	—	1,521	—	—	1,521	—	1,521	341	n/a	2016
Pasadena, Texas											
Interport 13001	Industrial	—	5,715	30,961	736	5,715	31,697	37,412	7,953	2007	2013
Bayport 4035	Industrial	—	3,772	10,255	113	3,772	10,368	14,140	1,138	2008	2017
Bayport 4331	Industrial	—	7,638	30,213	85	7,638	30,298	37,936	3,548	2008	2017
Perris, California											
3500 Indian Avenue	Industrial	—	16,210	27,759	8,884	18,716	34,137	52,853	8,157	2015	2015
3300 Indian Avenue	Industrial	—	39,012	43,280	1,885	39,006	45,171	84,177	9,295	2017	2017
4323 Indian Ave	Industrial	—	20,525	30,125	—	20,525	30,125	50,650	1,279	2019	2019
Plymouth, Minnesota											
Waterford Innovation Center	Industrial	—	2,689	9,897	43	2,689	9,940	12,629	1,314	2017	2017
Pomona, California											
1589 E 9th St.	Industrial	—	7,386	14,745	359	7,386	15,104	22,490	2,066	2016	2017
Perth Amboy, New Jersey											
ePort 960	Industrial	—	14,425	23,463	2,014	14,425	25,477	39,902	2,408	2017	2017
ePort 980	Industrial	—	43,778	87,019	133	43,778	87,152	130,930	8,387	2017	2017
ePort 1000	Industrial	—	19,726	41,229	1,040	19,726	42,269	61,995	3,796	2017	2017

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Plainfield, Indiana											
Plainfield 1551	Industrial	—	1,097	7,772	10,867	1,097	18,639	19,736	6,942	2000	2000
Plainfield 1581	Industrial	—	1,094	7,279	2,313	1,094	9,592	10,686	4,660	2000	2000
Plainfield 2209	Industrial	—	2,016	8,717	2,740	2,016	11,457	13,473	4,815	2002	2002
Plainfield 1390	Industrial	—	998	5,817	1,278	998	7,095	8,093	2,820	2004	2004
Plainfield 2425	Industrial	—	4,527	10,908	1,924	4,527	12,832	17,359	6,589	2006	2006
Home Depot trailer parking lot	Grounds	—	310	—	—	310	—	310	—	2018	2018
AllPoints Midwest Bldg. 1	Industrial	—	6,692	51,152	1,866	6,692	53,018	59,710	7,568	2008	2016
AllPoints Midwest Bldg. 4	Industrial	—	4,111	9,943	22	4,053	10,023	14,076	4,858	2012	2013
Pompano Beach, Florida											
Atlantic Business 1700	Industrial	—	3,165	8,821	1,877	3,165	10,698	13,863	3,879	2000	2010
Atlantic Business 1800	Industrial	—	2,663	8,417	1,229	2,663	9,646	12,309	3,720	2001	2010
Atlantic Business 1855	Industrial	—	2,764	8,162	204	2,764	8,366	11,130	2,853	2001	2010
Atlantic Business 2022	Industrial	—	1,804	5,885	41	1,804	5,926	7,730	2,007	2002	2010
Atlantic Business 1914	Industrial	—	1,834	5,339	31	1,834	5,370	7,204	1,847	2002	2010
Atlantic Business 2003	Industrial	—	1,980	5,918	1,233	1,980	7,151	9,131	2,998	2002	2010
Atlantic Business 1901	Industrial	—	1,995	6,217	588	1,995	6,805	8,800	2,593	2004	2010
Atlantic Business 2200	Industrial	—	1,999	6,012	852	1,999	6,864	8,863	2,476	2004	2010
Atlantic Business 2100	Industrial	—	1,988	6,130	36	1,988	6,166	8,154	2,096	2002	2010
Atlantic Business 2201	Industrial	—	2,194	4,050	209	2,194	4,259	6,453	1,555	2005	2010
Atlantic Business 2101	Industrial	—	2,066	6,682	85	2,066	6,767	8,833	2,306	2004	2010
Atlantic Business 2103	Industrial	—	1,616	3,634	162	1,616	3,796	5,412	1,404	2005	2010
Copans Business Park 1571	Industrial	—	1,710	3,646	259	1,710	3,905	5,615	1,421	1989	2010
Copans Business Park 1521	Industrial	—	1,781	3,101	434	1,781	3,535	5,316	1,350	1989	2010
Park Central 3250	Industrial	—	1,688	1,997	116	1,688	2,113	3,801	926	1999	2010
Park Central 3760	Industrial	—	3,098	2,567	1,634	3,098	4,201	7,299	1,714	1995	2010
Pompano Commerce Center 2901	Industrial	—	3,250	4,872	888	3,250	5,760	9,010	3,511	2010	2010
Pompano Commerce Center 3101	Industrial	—	2,905	4,670	486	2,916	5,145	8,061	1,661	2015	2015
Pompano Commerce Center 2951	Industrial	—	3,250	5,704	63	3,250	5,767	9,017	3,590	2010	2010
Pompano Commerce Center 3151	Industrial	—	2,897	3,939	1,249	2,908	5,177	8,085	1,330	2015	2015
Sample 95 Business Park 3101	Industrial	—	3,300	6,115	370	3,300	6,485	9,785	2,353	1999	2010
Sample 95 Business Park 3001	Industrial	—	2,963	6,135	198	2,963	6,333	9,296	2,239	1999	2011
Sample 95 Business Park 3035	Industrial	—	3,713	4,288	362	3,713	4,650	8,363	1,944	1999	2011
Sample 95 Business Park 3135	Industrial	—	1,688	5,030	852	1,688	5,882	7,570	2,190	1999	2010

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Copans Business Park 1551	Industrial	—	1,856	3,146	1,323	1,856	4,469	6,325	2,036	1989	2011
Copans Business Park 1501	Industrial	—	1,988	3,367	266	1,988	3,633	5,621	1,315	1989	2011
Park Central 1700	Industrial	—	4,136	6,407	913	4,136	7,320	11,456	2,830	1998	2011
Park Central 2101	Industrial	—	2,696	5,798	967	2,696	6,765	9,461	2,491	1998	2011
Park Central 3300	Industrial	—	1,635	2,846	405	1,635	3,251	4,886	1,238	1996	2011
Park Central 100	Industrial	—	1,500	1,992	1,006	1,500	2,998	4,498	1,303	1998	2011
Park Central 1300	Industrial	—	2,438	3,021	2,301	2,438	5,322	7,760	2,268	1997	2011
Copans 95 1731	Industrial	—	3,511	5,889	—	3,511	5,889	9,400	73	2019	2019
Port Wentworth, Georgia											
100 Logistics Way	Industrial	5,410	2,306	11,043	2,272	2,336	13,285	15,621	4,950	2006	2006
500 Expansion Boulevard	Industrial	2,465	649	5,842	224	649	6,066	6,715	1,933	2006	2008
400 Expansion Boulevard	Industrial	—	1,636	13,186	795	1,636	13,981	15,617	4,152	2007	2008
605 Expansion Boulevard	Industrial	—	1,615	6,852	76	1,615	6,928	8,543	2,152	2007	2008
405 Expansion Boulevard	Industrial	—	535	3,192	125	535	3,317	3,852	950	2008	2009
600 Expansion Boulevard	Industrial	—	1,248	9,392	33	1,248	9,425	10,673	2,641	2008	2009
602 Expansion Boulevard	Industrial	—	1,840	10,981	78	1,859	11,040	12,899	3,014	2009	2009
Raleigh, North Carolina											
Walnut Creek 540	Industrial	—	419	1,651	833	419	2,484	2,903	1,113	2001	2001
Walnut Creek 4000	Industrial	—	456	2,078	450	456	2,528	2,984	1,163	2001	2001
Walnut Creek 3080	Industrial	—	679	2,766	1,546	679	4,312	4,991	1,811	2001	2001
Walnut Creek 3070	Industrial	—	913	1,187	1,511	913	2,698	3,611	1,037	2004	2004
Walnut Creek 3071	Industrial	—	1,718	2,746	657	1,718	3,403	5,121	2,004	2008	2008
Rancho Cucamonga, California											
9189 Utica Ave	Industrial	—	5,794	12,646	265	5,794	12,911	18,705	1,921	2016	2017
Rancho Dominguez, California											
18700 Laurel Park Rd	Industrial	—	8,080	2,987	282	8,264	3,085	11,349	466	1971	2017
Redlands, California											
2300 W. San Bernadino Ave	Industrial	—	20,031	18,770	1,308	20,031	20,078	40,109	7,264	2001	2013
Richmond, California											
2041 Factory Street	Industrial	—	8,132	22,266	—	8,132	22,266	30,398	681	2000	2019

(in thousands)

			Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019					
Name	**Asset Type**	**Encumbrances**	**Land**	**Buildings**		**Land/Land Imp**	**Bldgs/TI**	**Total (1)**	**Accum. Depr. (2)**	**Year Constructed/Renovated**	**Year Acquired**
Romeoville, Illinois											
875 W. Crossroads Parkway	Industrial	—	6,433	7,274	2,084	6,433	9,358	15,791	5,855	2005	2005
Crossroads 1255	Industrial	—	2,938	9,297	2,919	2,938	12,216	15,154	4,665	1999	2010
Crossroads 801	Industrial	—	5,296	6,184	305	5,296	6,489	11,785	6,264	2009	2010
1341-1343 Enterprise Drive	Industrial	—	3,076	12,660	462	3,076	13,122	16,198	2,700	2015	2015
50-56 N. Paragon	Industrial	—	3,985	5,433	1,212	3,985	6,645	10,630	1,128	2017	2017
Airport Logistics Center I	Industrial		9,133	17,187	—	9,133	17,187	26,320	309	2019	2019
Roseville, Minnesota											
2215 Highway 36 West	Industrial	—	1,655	5,931	1,429	1,655	7,360	9,015	2,792	1998	2011
2420 Long Lake Road	Industrial	—	1,373	4,135	1,043	1,373	5,178	6,551	1,853	2000	2011
San Leandro, California											
1919 Williams Street	Industrial	—	27,739	2,038	—	27,739	2,038	29,777	—	1985	2019
Savannah, Georgia											
198 Gulfstream	Industrial	—	549	3,650	975	549	4,625	5,174	1,484	1997	2006
194 Gulfstream	Industrial	—	412	2,359	244	412	2,603	3,015	941	1998	2006
190 Gulfstream	Industrial	—	689	4,134	372	689	4,506	5,195	1,671	1999	2006
250 Grange Road	Industrial	—	884	7,776	27	884	7,803	8,687	2,844	2002	2006
248 Grange Road	Industrial	—	613	3,180	8	613	3,188	3,801	1,198	2002	2006
318 Grange Road	Industrial	—	880	4,131	916	880	5,047	5,927	1,731	2001	2006
246 Grange Road	Industrial	2,901	1,124	7,486	734	1,124	8,220	9,344	2,792	2006	2006
163 Portside Court	Industrial	—	8,433	7,746	62	8,433	7,808	16,241	5,707	2004	2006
151 Portside Court	Industrial	—	966	7,117	755	916	7,922	8,838	2,976	2003	2006
175 Portside Court	Industrial	6,137	4,300	13,344	2,673	5,782	14,535	20,317	6,374	2005	2006

(in thousands)

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			Land	Buildings		Land/Land Imp	Bldgs/TI	Total (1)			
235 Jimmy Deloach Parkway	Industrial	—	1,074	7,201	1,340	1,147	8,468	9,615	3,211	2001	2006
239 Jimmy Deloach Parkway	Industrial	—	1,074	6,424	717	1,074	7,141	8,215	2,638	2001	2006
246 Jimmy Deloach Parkway	Industrial	1,763	992	4,878	85	936	5,019	5,955	1,903	2006	2006
200 Logistics Way	Industrial	3,808	878	9,274	365	883	9,634	10,517	3,009	2006	2008
2509 Dean Forest Road	Industrial	—	2,392	6,040	2,411	2,914	7,929	10,843	2,925	2008	2011
276 Jimmy Deloach Parkway	Industrial	—	6,772	6,405	—	6,772	6,405	13,177	135	2019	2019
Sea Brook, Texas											
Bayport Logistics 5300	Industrial	—	2,629	13,284	191	2,629	13,475	16,104	6,154	2009	2010
Bayport Logistics 5801	Industrial	—	5,116	7,663	157	5,116	7,820	12,936	2,107	2015	2015
Shakopee, Minnesota											
3880 4th Avenue East	Industrial	—	1,496	6,102	67	1,522	6,143	7,665	2,081	2000	2011
Gateway South 2301	Industrial	—	2,648	11,898	6	2,648	11,904	14,552	1,814	2016	2016
Gateway South 2101	Industrial	—	4,273	16,716	—	4,273	16,716	20,989	2,173	2017	2017
Sharonville, Ohio											
Mosteller 11400	Industrial	—	408	2,705	3,573	408	6,278	6,686	2,814	1997	1997
South Brunswick, New Jersey											
10 Broadway Road	Industrial	—	15,168	13,916	1,226	15,168	15,142	30,310	2,309	2017	2017
St. Peters, Missouri											
Premier 370 Bus Park 2001	Industrial	—	8,709	25,696	—	8,709	25,696	34,405	4,017	2017	2017
Premier 370 Bus Park 2000	Industrial	—	4,361	11,998	—	4,361	11,998	16,359	1,670	2017	2017
Premier 370 Bus Park 1000	Industrial	—	4,563	9,805	719	4,563	10,524	15,087	1,484	2017	2017
Premier 370 Bus Park 4000	Industrial	—	15,773	72,935	—	15,773	72,935	88,708	2,795	2019	2019
Premier 370 Bus Park 1001	Industrial	—	6,362	12,408	—	6,362	12,408	18,770	622	2019	2019
Stafford, Texas											
10225 Mula Road	Industrial	—	3,502	2,656	3,393	3,502	6,049	9,551	3,324	2008	2008
Sterling, Virginia											
TransDulles Centre 22601	Industrial	—	1,700	5,001	602	1,700	5,603	7,303	1,804	2004	2016
TransDulles Centre 22620	Industrial	—	773	1,957	15	773	1,972	2,745	642	1999	2016
TransDulles Centre 22626	Industrial	—	1,544	3,874	176	1,544	4,050	5,594	1,306	1999	2016
TransDulles Centre 22633	Industrial	—	702	1,657	47	702	1,704	2,406	592	2004	2016
TransDulles Centre 22635	Industrial	—	1,753	4,182	16	1,753	4,198	5,951	1,374	1999	2016
TransDulles Centre 22645	Industrial	—	1,228	3,411	124	1,228	3,535	4,763	1,127	2005	2016
TransDulles Centre 22714	Industrial	—	3,973	3,535	1,251	3,973	4,786	8,759	2,583	2007	2007
TransDulles Centre 22750	Industrial	—	2,068	5,018	299	2,068	5,317	7,385	1,761	2003	2016
TransDulles Centre 22815	Industrial	—	7,685	5,713	374	7,685	6,087	13,772	2,183	2000	2016
TransDulles Centre 22825	Industrial	—	1,758	4,951	131	1,758	5,082	6,840	1,631	1997	2016
TransDulles Centre 22879	Industrial	—	2,828	8,425	170	2,828	8,595	11,423	2,783	1989	2016

(in thousands)

Name	Asset Type	Encumbrances	Initial Cost: Land	Initial Cost: Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/2019: Land/Land Imp	Gross Book Value 12/31/2019: Bldgs/TI	Gross Book Value 12/31/2019: Total (1)	Accum. Depr. (2)	Year Constructed/Renovated	Year Acquired
TransDulles Centre 22880	Industrial	—	2,311	4,922	10	2,311	4,932	7,243	1,687	1998	2016
TransDulles Centre 46213	Industrial	—	5,912	3,965	720	5,912	4,685	10,597	1,585	2015	2015
Sumner, Washington											
13501 38th Street East	Industrial	—	16,032	5,914	501	16,032	6,415	22,447	5,547	2005	2007
4800 E Valley Highway	Industrial	—	12,567	21,838	—	12,567	21,838	34,405	1,086	2004	2019
Suwanee, Georgia											
Horizon Business 90	Industrial	—	180	1,169	292	180	1,461	1,641	491	2001	2010
Horizon Business 225	Industrial	—	457	2,056	706	457	2,762	3,219	997	1990	2010
Horizon Business 250	Industrial	—	1,625	6,354	1,180	1,625	7,534	9,159	3,087	1997	2010
Horizon Business 70	Industrial	—	956	3,441	942	956	4,383	5,339	1,566	1998	2010
Horizon Business 2780	Industrial	—	1,143	5,724	2,159	1,143	7,883	9,026	2,361	1997	2010
Horizon Business 25	Industrial	—	723	2,545	1,851	723	4,396	5,119	1,772	1999	2010
Horizon Business 2790	Industrial	—	1,505	4,958	—	1,505	4,958	6,463	2,262	2006	2010
1000 Northbrook Parkway	Industrial	—	756	3,612	628	756	4,240	4,996	1,931	1986	2010
Tampa, Florida											
Fairfield Distribution 8640	Industrial	—	483	2,359	1,017	487	3,372	3,859	1,418	1998	1999
Fairfield Distribution 4720	Industrial	—	530	4,624	954	534	5,574	6,108	2,814	1998	1999
Fairfield Distribution 4758	Industrial	—	334	2,658	769	338	3,423	3,761	1,527	1999	1999
Fairfield Distribution 8600	Industrial	—	600	1,185	2,235	604	3,416	4,020	1,662	1999	1999
Fairfield Distribution 4901	Industrial	—	488	2,425	1,136	488	3,561	4,049	1,482	2000	2000
Fairfield Distribution 4727	Industrial	—	555	3,348	1,239	555	4,587	5,142	2,177	2001	2001
Fairfield Distribution 4701	Industrial	—	394	1,350	1,595	394	2,945	3,339	1,284	2001	2001
Fairfield Distribution 4661	Industrial	—	444	1,640	879	444	2,519	2,963	995	2004	2004
Eagle Creek Business 8701	Industrial	—	3,705	2,331	2,708	3,705	5,039	8,744	3,968	2006	2006
Eagle Creek Business 8651	Industrial	—	2,354	1,661	1,895	2,354	3,556	5,910	2,526	2007	2007
Eagle Creek Business 8601	Industrial	—	2,332	2,229	1,771	2,332	4,000	6,332	3,255	2007	2007
Teterboro, New Jersey											
1 Catherine Street	Industrial	—	14,376	18,788	—	14,376	18,788	33,164	2,584	2016	2017
Tracy, California											
1400 Pescadero Avenue	Industrial	—	9,633	39,644	—	9,633	39,644	49,277	11,613	2008	2013
West Chester, Ohio											
World Park Union Centre 9287	Industrial	—	2,150	827	7,934	2,151	8,760	10,911	4,709	2006	2006
World Park Union Centre 9271	Industrial	—	557	5,923	481	557	6,404	6,961	2,407	2004	2004
World Park Union Centre 9266	Industrial	—	1,125	5,951	398	1,125	6,349	7,474	2,212	1998	2010
World Park Union Centre 9451	Industrial	—	1,219	6,201	725	1,219	6,926	8,145	2,356	1999	2010

Duke Realty Corporation and Duke Realty Limited Partnership
Real Estate and Accumulated Depreciation
December 31, 2019
(in thousands)

			Initial Cost			Gross Book Value 12/31/2019					
Name	**Asset Type**	**Encumbrances**	**Land**	**Buildings**	**Cost Capitalized Subsequent to Development or Acquisition**	**Land/Land Imp**	**Bldgs/TI**	**Total (1)**	**Accum. Depr. (2)**	**Year Constructed/Renovated**	**Year Acquired**
World Park Union Centre 5443	Industrial	—	1,918	4,760	642	1,918	5,402	7,320	2,755	2005	2010
World Park Union Centre 9107	Industrial	—	1,160	5,985	1,347	1,160	7,332	8,492	2,678	1999	2010
World Park Union Centre 9245	Industrial	—	1,189	5,783	966	1,189	6,749	7,938	2,501	2001	2010
West Palm Beach, Florida											
Park of Commerce 5655	Industrial	—	1,635	1,728	260	1,635	1,988	3,623	787	2010	2010
Park of Commerce 5720	Industrial	—	2,160	3,633	853	2,320	4,326	6,646	1,527	2010	2010
Airport Center 1701	Industrial	—	2,437	5,851	750	2,437	6,601	9,038	2,381	2002	2010
Airport Center 1805	Industrial	—	1,706	4,453	383	1,706	4,836	6,542	1,821	2002	2010
Airport Center 1865	Industrial	—	1,500	4,176	773	1,500	4,949	6,449	1,628	2002	2010
Park of Commerce #4	Grounds	—	5,934	—	—	5,934	—	5,934	46	n/a	2011
Park of Commerce #5	Grounds	—	6,308	—	—	6,308	—	6,308	44	n/a	2011
Turnpike Crossing 1315	Industrial	—	7,390	5,762	352	7,390	6,114	13,504	1,787	2016	2016
Turnpike Crossing 1333	Industrial	—	6,255	4,560	975	6,255	5,535	11,790	1,527	2016	2016
Turnpike Crossing 6747	Industrial	—	10,607	7,112	2,786	10,607	9,898	20,505	1,572	2017	2017
Turnpike Crossing 6729	Industrial	—	8,576	7,506	282	8,576	7,788	16,364	671	2018	2018
Turnpike Crossing 6711	Industrial	—	8,328	7,386	—	8,328	7,386	15,714	132	2019	2019
Whitestown, Indiana											
AllPoints Anson Building 14	Industrial	—	2,127	7,528	1,008	2,127	8,536	10,663	3,726	2007	2011
Wind Gap, Pennsylvania											
1380 Jacobsburg Road	Industrial	—	15,500	25,247	—	15,500	25,247	40,747	1,446	2017	2019
Wood-Ridge, New Jersey											
5 Ethel Boulevard	Industrial	—	18,776	18,089	—	18,776	18,089	36,865	633	2019	2019
Accum. Depr. on Improvements of Undeveloped Land									5,121		
Eliminations					(23)	(20)	(3)	(23)	(14)		
Properties held-for-sale						(4,561)	(18,840)	(23,401)	(7,132)		
		34,187	2,505,632	4,705,734	639,912	2,532,541	5,295,336	7,827,877	1,480,461		

(1) The tax basis (in thousands) of our real estate assets at December 31, 2019 was approximately $7,289,109 (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		
	2019	2018	2017	2019	2018	2017
Balance at beginning of year	$ 7,248,346	$ 6,612,229	$ 6,523,281	$ 1,345,060	$ 1,196,458	$ 1,302,210
Acquisitions	205,390	327,318	945,912			
Construction costs and tenant improvements	635,173	683,284	716,627			
Depreciation expense				272,422	256,250	242,606
Cost of real estate sold or contributed	(176,603)	(336,327)	(1,538,680)	(68,861)	(69,490)	(314,306)
Impairment allowance	—	—	(859)			
Write-off of fully depreciated assets	(61,028)	(38,158)	(34,052)	(61,028)	(38,158)	(34,052)
Balance at end of year including held-for-sale	$ 7,851,278	$ 7,248,346	$ 6,612,229	$ 1,487,593	$ 1,345,060	$ 1,196,458
Properties held-for-sale	(23,401)	—	(18,662)	(7,132)	(884)	(2,553)
Balance at end of year excluding held-for-sale	$ 7,827,877	$ 7,248,346	$ 6,593,567	$ 1,480,461	$ 1,344,176	$ 1,193,905
Other real estate investments	165,500					
Real estate assets	$ 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	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).
3.2	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).
3.3	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) (File No. 000-20625).
3.4(i)	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).
3.4(ii)	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).
3.4(iii)	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).
3.4(iv)	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).
3.4(v)	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).
3.4(vi)	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).
4.1	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).
4.2(i)	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) (File No. 001-09044).
4.2(ii)	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) (File No. 000-20625).
4.3(i)	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) (File No. 333-136173).
4.3(ii)	Eighth Supplemental Indenture, dated June 11, 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 4.375% 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 June 11, 2012, and incorporated herein by this reference).

4.3(iii)	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).
4.3(iv)	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(v)	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(vi)	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(vii)	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(viii)	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(ix)	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).
4.4	Description of Securities.*
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 Restricted Stock Unit Award Certificate under the General Partner's 2015 Long-Term Incentive Plan (filed as Exhibit 10.1 to the combined Annual Report on Form 10-K of the General Partner and the Partnership as filed with the SEC on February 19, 2016 and incorporated herein by this reference). #
10.1(iii)	Form of LTIP Unit Award Agreement (filed as Exhibit 10.2 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).#
10.1(iv)	From of Restricted Stock Unit Award Certificate for directors under the General Partner's 2015 Long-Term Incentive Plan (filed as Exhibit 10.1 to the combined Quarterly Report on Form 10-Q of the General Partner and Partnership as filed with the SEC on April 26, 2019, 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 10.1 to the combined Quarterly Report on 10-Q of the General Partner and the Partnership as filed with the SEC on April 28, 2017, and incorporated herein by this reference).#
10.3(iv)	Form of 2010 Performance Share Plan LTIP Unit Award Agreement (filed as Exhibit 10.2 to the combined Quarterly Report on10-Q of the General Partner and the Partnership as filed with the SEC on April 28, 2017, and incorporated herein by this reference).#
10.4	Form of Forfeiture Agreement/Performance Unit Award Certificate (filed as Exhibit 99.2 to the General Partner's Current Report on Form 8-K as filed with the SEC on December 9, 2005, and incorporated herein by this reference) (File No. 001-09044).#
10.5(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).#
10.5(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).#
10.6	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).#
10.7	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).#
10.8	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).#
10.9	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).
10.10	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).
10.11	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	List of the Company's Subsidiaries.*
23.1	Consent of KPMG LLP relating to the General Partner.*
23.2	Consent of KPMG LLP relating to the Partnership.*
24.1	Executed Powers of Attorney of certain directors.*
31.1	Rule 13a-14(a) Certification of the Chief Executive Officer of the General Partner.*
31.2	Rule 13a-14(a) Certification of the Chief Financial Officer of the General Partner.*
31.3	Rule 13a-14(a) Certification of the Chief Executive Officer for the Partnership.*
31.4	Rule 13a-14(a) Certification of the Chief Financial Officer for the Partnership.*
32.1	Section 1350 Certification of the Chief Executive Officer of the General Partner. * **
32.2	Section 1350 Certification of the Chief Financial Officer of the General Partner. * **
32.3	Section 1350 Certification of the Chief Executive Officer for the Partnership. * **
32.4	Section 1350 Certification of the Chief Financial Officer for the Partnership. * **
99.1	Federal Income Tax Considerations.*
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 25, 2020

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

Signature	Date	Title
/s/ James B. Connor James B. Connor	2/25/2020	Chairman and Chief Executive Officer (Principal Executive Officer)
/s/ Mark A. Denien Mark A. Denien	2/25/2020	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ John P. Case* John P. Case	2/25/2020	Director
/s/ Ngaire E. Cuneo* Ngaire E. Cuneo	2/25/2020	Director
/s/ Charles R. Eitel* Charles R. Eitel	2/25/2020	Director
/s/ Tamara D. Fischer* Tamara D. Fischer*	2/25/2020	Director
/s/ Norman K. Jenkins* Norman K. Jenkins	2/25/2020	Director
/s/ Melanie R. Sabelhaus* Melanie R. Sabelhaus	2/25/2020	Director
/s/ Peter M. Scott III* Peter M. Scott III	2/25/2020	Director
/s/ David P. Stockert* David P. Stockert	2/25/2020	Director
/s/ Chris T. Sultemeier* Chris T. Sultemeier	2/25/2020	Director
/s/ Michael E. Szymanczyk* Michael E. Szymanczyk	2/25/2020	Director
/s/ Warren M.Thompson* Warren M. Thompson	2/25/2020	Director

/s/ Lynn C. Thurber*	2/25/2020	Director
Lynn C. Thurber		

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

Exhibit 4.4

Description of Capital Stock

As of February 20, 2020, Duke Realty Corporation (the “General Partner”) had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Duke Realty Limited Partnership (the “Partnership”) had no classes of securities registered under Section 12 of the Exchange Act.

The following is a summary only and is subject to applicable provisions of the Indiana Business Corporation Law and to the General Partner’s articles of incorporation and bylaws, each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.4 is a part. You should refer to, and read this summary together with, the General Partner’s articles of incorporation and bylaws to review all of the terms of the General Partner’s common stock.

General

The General Partner’s authorized capital stock includes 600 million shares of common stock, $.01 par value per share, and 5 million shares of preferred stock, par value $0.01 per share. As of February 20, 2020, the General Partner had 368,342,908 shares of common stock outstanding and no shares of preferred stock outstanding. Each outstanding share of common stock entitles the holder to one vote on all matters presented to shareholders for a vote. Holders of common stock have no preemptive rights. All shares of common stock issued will be duly authorized and issued, fully paid, and non-assessable.

Holders of common stock have no right to cumulative voting for the election of directors. Consequently, because each member of the General Partner’s board of directors serves only a one-year term, a majority of the shareholders present in person or represented by proxy and entitled to vote are able to elect all of the directors at each annual shareholders’ meeting.

The General Partner’s shares of common stock currently outstanding are listed on the New York Stock Exchange (the “NYSE”) under the symbol “DRE.”

The General Partner’s shareholders are entitled to share ratably in its assets legally available for distribution to shareholders in the event of its liquidation, dissolution or winding up, voluntarily or involuntarily, after payment of, or adequate provision for, all of its known debts and liabilities. These rights are subject to the preferential rights of any other class or series of the General Partner’s stock that may then be outstanding and to the provisions of its articles of incorporation regarding restrictions on ownership and transfer of the General Partner’s stock to preserve its status as a REIT for federal income tax purposes.

Holders of the General Partner’s shares of common stock have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any of the General Partner's securities. The General Partner's board of directors may issue additional shares of common stock without the approval of the General Partner's shareholders.

Under Indiana law, shareholders are generally not liable for the General Partner's debts or obligations. If the General Partner is liquidated, after payment or provision for all of the General Partner's known debts and liabilities and any preferential distributions required to be made to holders of preferred stock, each outstanding share of common stock will be entitled to participate on a *pro rata* basis in the remaining assets.

Dividends

Holders of the General Partner's shares of common stock are entitled to receive dividends only when, as and if approved by the General Partner's board of directors out of assets legally available for the payment of dividends. The General Partner intends to continue to pay quarterly dividends.

Change of Control Provisions

Under Indiana law, shareholders holding a majority of the shares voting must approve any transaction pursuant to which the General Partner would merge with another entity or would sell all or substantially all of its assets. The General Partner's articles of incorporation also contain provisions that may discourage certain types of transactions involving an actual or threatened change of control, including:

- a requirement that certain mergers, sales of assets, liquidations or dissolutions, or reclassifications or recapitalizations involving persons owning 10% or more of the General Partner's capital stock:
    - be approved by a vote of the holders of 80% of the issued and outstanding shares of the General Partner's capital stock;
    - be approved by three-fourths of the continuing directors; or
    - provide for payment to shareholders for their shares of at least a specified price;
- a requirement that any amendment or alteration of certain provisions of the articles of incorporation affecting change of control be approved by the holders of 80% of the General Partner's issued and outstanding capital stock; and
- a limitation that directors may be removed only for "cause" and only with the affirmative vote of at least a majority of the total votes eligible to be cast by shareholders at a duly constituted meeting of shareholders called expressly for such purpose.

The partnership agreement for the Partnership also contains provisions that could discourage transactions involving an actual or threatened change of control of the General Partner, including:

- a requirement that holders of at least 90% of the outstanding partnership units held by the General Partner and other unit holders 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;
- a restriction against any assignment or transfer by the General Partner of its interest in the Partnership; and
- a requirement that holders of more than 90% of the partnership units approve:
  - any merger, consolidation or other combination of the General Partner with another entity, unless after the transaction substantially all of the assets of the surviving entity are contributed to the Partnership in exchange for units;
  - any sale of all or substantially all of the General Partner's assets; or
  - any reclassification or recapitalization or change of outstanding shares of common stock other than certain changes in par value, stock splits, stock dividends or combinations.

The General Partner's directors who are not officers or employees and who do not hold partnership units will vote on these matters.

Restrictions on Ownership and Transfer

For the General Partner to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code if 1986, as amended (the "Code"):

- no more than 50% in value of the General Partner's outstanding stock may be owned, directly or indirectly, by five or fewer individuals (including certain entities) at any time during the last half of a taxable year; and
- The General Partner's stock must be beneficially owned by 100 or more persons during at least 335 days of each taxable year or during a proportionate part of a shorter taxable year.

Because the General Partner expects to continue to qualify as a REIT, its articles of incorporation contain restrictions intended to ensure compliance with these requirements. Subject to certain exceptions detailed below, 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. We refer to these restrictions, collectively, as the "ownership limit."

The General Partner's board of directors may, upon receipt of certain representations and agreements and in its sole discretion, prospectively or retroactively, waive the ownership limit and may establish or increase a different limit on ownership, or excepted holder limit, for a particular shareholder if the shareholder's ownership in excess of the ownership limit would not result in our being “closely held” under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT. As a condition of granting a waiver of the ownership limit or creating an excepted holder limit, the General Partner’s board of directors may, but is not required to, require an opinion of counsel or Internal Revenue Service ruling satisfactory to the board of directors as it may deem necessary or advisable to determine or ensure the General Partner’s status as a REIT and may impose such other conditions or restrictions as it deems appropriate.

In connection with granting a waiver of the ownership limit or creating or modifying an excepted holder limit, or at any other time, the board of directors may increase or decrease the ownership limit unless, after giving effect to any increased or decreased ownership limit, five or fewer persons could beneficially own, in the aggregate, more than 49.9% in value of the shares of the General Partner’s stock then outstanding or the General Partner would otherwise fail to qualify as a REIT. A decreased ownership limit will not apply to any person or entity whose percentage of ownership of the General Partner’s stock is in excess of the decreased ownership limit until the person or entity’s ownership equals or falls below the decreased ownership limit, but any further acquisition of the General Partner’s stock will be subject to the decreased ownership limit.

The General Partner’s articles of incorporation also prohibit:

- any person from beneficially or constructively owning shares of stock that would result in the General Partner being “closely held” under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause the General Partner to fail to qualify as a REIT; and
- any person from transferring shares of the General Partner’s stock if the transfer would result in shares of the General Partner’s stock being beneficially owned by fewer than 100 persons.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of the General Partner’s stock that will or may violate the ownership limit or any of the other restrictions on ownership and transfer, and any person who is the intended transferee of shares of the General Partner’s stock that are transferred to a trust for the benefit of one or more charitable beneficiaries described below, must give immediate written notice of such an event or, in the case of a proposed or attempted transfer, give at least 15 days’ prior written notice to us and provide us with such other information as we may request in order to determine the effect of the transfer on the General Partner’s status as a REIT. The provisions of the General Partner’s articles of incorporation, relating to the restrictions on ownership and transfer of the General Partner’s stock will not apply if the board of directors determines that compliance is no longer required in order for the General Partner to qualify as a REIT.

Any attempted transfer of the General Partner’s stock that, if effective, would result in the General Partner’s stock being beneficially owned by fewer than 100 persons will be null and void. Any attempted transfer of the General Partner’s stock that, if effective, would result in a violation of the ownership limit (or other limit established by our articles of incorporation or the board of directors), the General Partner being “closely held” under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or the General Partner otherwise failing to qualify as a REIT will cause the number of shares causing the violation (rounded up to the nearest whole share) to be transferred automatically to a trust for the exclusive benefit of one or more charitable beneficiaries, and the proposed transferee will not acquire any rights in the shares. The automatic transfer will be effective as of the close of business on the business day before the date of the attempted transfer or other event that resulted in a transfer to the trust. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent a violation of the applicable restrictions on ownership and transfer of our stock, then the attempted transfer that, if effective, would have resulted in a violation of the ownership limit (or other limit established by our articles of incorporation or the board of directors), the General Partner being “closely held” under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or the General Partner otherwise failing to qualify as a REIT will be null and void.

Shares of the General Partner’s stock held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any such shares held in the trust and will have no rights to dividends and no rights to vote or other rights attributable to such shares held in the trust. The trustee of the trust will exercise all voting rights and receive all dividends and other distributions with respect to shares held in the trust for the exclusive benefit of the charitable beneficiary of the trust. Any dividend or other distribution paid before we discover that the shares have been transferred to a trust as described above must be repaid by the recipient to the trustee upon demand. Subject to Indiana law, effective as of the date that the shares have been transferred to the trust, the trustee will have the authority to rescind as void any vote cast by a proposed transferee before our discovery that the shares have been transferred to the trust and to recast the vote in the sole discretion of the trustee. However, if we have already taken irreversible corporate action, then the trustee may not rescind or recast the vote.

Within 20 days of receiving notice from us of a transfer of shares to the trust, the trustee must sell the shares to a person that would be permitted to own the shares without violating the ownership limit or the other restrictions on ownership and transfer of the General Partner’s stock in our articles of incorporation. After the sale of the shares, the interest of the charitable beneficiary in the shares transferred to the trust will terminate and the trustee must distribute to the proposed transferee an amount equal to the lesser of:

- the price paid by the proposed transferee for the shares or, if the event that resulted in the transfer to the trust did not involve a purchase of such shares at market price, which will generally be the last sales price reported on the NYSE, the market price on the last trading day before the day of the event that resulted in the transfer of such shares to the trust; and
- the sales proceeds (net of commissions and other expenses of sale) received by the trust for the shares.

The trustee must distribute any remaining funds held by the trust with respect to the shares to the charitable beneficiary. If the shares are sold by the proposed transferee before we discover that they have been transferred to the trust, the shares will be deemed to have been sold on behalf of the trust and the proposed transferee must pay to the trustee, upon demand, the amount, if any, that the proposed transferee received in excess of the amount that the proposed transferee would have received had the shares been sold by the trustee.

Shares of our stock held in the trust will be deemed to be offered for sale to us, or our designee, at a price per share equal to the lesser of:

- the price per share in the transaction that resulted in the transfer to the trust or, if the event that resulted in the transfer to the trust did not involve a purchase of such shares at market price, the market price on the last trading day before the day of the event that resulted in the transfer of such shares to the trust; and
- the market price on the date we accept, or our designee accepts, such offer.

The General Partner may accept the offer until the trustee has otherwise sold the shares of our stock held in the trust. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee must distribute the net proceeds of the sale to the proposed transferee and distribute any dividends or other distributions held by the trustee with respect to the shares to the charitable beneficiary.

Every owner of 5% or more (or such lower percentage as required by the Code or the regulations promulgated thereunder) of the General Partner’s stock, within 30 days after the end of each taxable year, must give us written notice stating the person’s name and address, the number of shares of each class and series of the General Partner’s stock that the person beneficially owns and a description of the manner in which the shares are held. Each such owner also must provide us with any additional information that we request in order to determine the effect, if any, of the person’s beneficial ownership on the General Partner’s status as a REIT and to ensure compliance with the ownership limit. In addition, any person or entity that is a beneficial owner or constructive owner of shares of the General Partner’s stock and any person or entity (including the shareholder of record) who is holding shares of the General Partner’s stock for a beneficial owner or constructive owner must, on request, disclose to us in writing such information as we may request in order to determine our status as a REIT or to comply, or determine our compliance, with the requirements of any governmental or taxing authority.

Any certificated shares of the General Partner’s stock will bear a legend referring to the restrictions described above.

Limitations of Liability and Indemnification of Directors and Officers

Indiana law and the General Partner’s articles of incorporation generally exculpate each director and officer in actions by the General Partner or by its shareholders in derivative actions from liability, except in the case of:

- any breach of the director’s duty of loyalty to the General Partner or its shareholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- voting for or assenting to an unlawful distribution; or
- any transaction from which the director derived an improper personal benefit.

The articles of incorporation also provide that the General Partner will indemnify a present or former director or officer against expense or liability in an action to the fullest extent permitted by Indiana law. Indiana law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses they incur in connection with any proceeding to which they are a party, so long as:

- the individual’s conduct was in good faith;
- the individual reasonably believed, in the case of conduct in the individual’s official capacity with the corporation, that the conduct was in the corporation’s best interests and, in all other cases, that the individual’s conduct was at least not opposed to the corporation’s best interests; and
- in the case of a criminal proceeding, the individual either had reasonable cause to believe the individual’s conduct was lawful or had no reasonable cause to believe the individual’s conduct was unlawful.

We believe that the exculpation and indemnification provisions in the General Partner’s articles of incorporation help induce qualified individuals to agree to serve as officers and directors of the General Partner by providing a degree of protection from liability for alleged mistakes in making decisions and taking actions. You should be aware, however, that these provisions in the General Partner’s articles of incorporation and Indiana law give you a more limited right of action than you otherwise would have in the absence of such provisions. The General Partner also maintains a policy of directors and officers liability insurance covering certain liabilities incurred by the General Partner’s directors and officers in connection with the performance of their duties.

The above indemnification provisions could operate to indemnify directors, officers or other persons who exert control over the General Partner against liabilities arising under the Securities Act of 1933, as amended (the “Securities Act”). Insofar as the above provisions may allow that type of indemnification, the Securities and Exchange Commission has informed us that, in its opinion, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Shareholder Liability

Indiana law provides that no shareholder, including holders of common stock, will be personally liable for the General Partner’s acts and obligations except that a shareholder may become personally liable by reason of the shareholder’s own acts or conduct.

Registrar and Transfer Agent

The registrar and transfer agent for the common stock is Equiniti Trust Company.

EXHIBIT 21.1

Subsidiary (1)	State of Incorporation or Organization	Name(s) under which Subsidiary Conducts Business
The financial statements of the following entities were consolidated into the financial statements of the Registrant at December 31, 2019		
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
Duke Realty Corporation and Duke Realty Limited Partnership accounted for the following entities on the equity method at December 31, 2019		
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 111 wholly owned subsidiaries that are organized and operated in the United States, and are in the real estate ownership, operating, and development business.

EXHIBIT 23.1

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 25, 2020, with respect to the consolidated balance sheets of Duke Realty Corporation and subsidiaries as of December 31, 2019 and 2018, 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, 2019, the related notes and financial statement schedule III, and the effectiveness of internal control over financial reporting as of December 31, 2019, which report appears in the December 31, 2019 combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership.

/s/ KPMG LLP

Indianapolis, Indiana

February 25, 2020

EXHIBIT 23.2

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 25, 2020, with respect to the consolidated balance sheets of Duke Realty Limited Partnership and subsidiaries as of December 31, 2019 and 2018, 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, 2019, the related notes and financial statement schedule III, and the effectiveness of internal control over financial reporting as of December 31, 2019, which report appears in the December 31, 2019 combined annual report on Form 10-K of Duke Realty Corporation and Duke Realty Limited Partnership.

/s/ KPMG LLP

Indianapolis, Indiana
February 25, 2020

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ John P. Case

John P. Case

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Tamara D. Fischer

Tamara D. Fischer

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Ngaire E. Cuneo

Ngaire E. Cuneo

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Charles R. Eitel

Charles R. Eitel

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Norman K. Jenkins

Norman K. Jenkins

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s / Melanie R. Sabelhaus

Melanie R. Sabelhaus

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Peter M. Scott III

Peter M. Scott III

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ David P. Stockert

David P. Stockert

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Chris T. Sultemeier

Chris T. Sultemeier

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Michael E. Szymanczyk

Michael E. Szymanczyk

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Warren M. Thompson

Warren M. Thompson

EXHIBIT 24.1

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, 2019, 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: January 29, 2020

/s/ Lynn C. Thurber

Lynn C. Thurber

EXHIBIT 31.1

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 25, 2020

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer

EXHIBIT 31.2

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 25, 2020

/s/ Mark A. Denien

Mark A. Denien
Executive Vice President and Chief Financial Officer

EXHIBIT 31.3

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 25, 2020

/s/ James B. Connor

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

EXHIBIT 31.4

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 25, 2020

/s/ Mark A. Denien

Mark A. Denien

Executive Vice President and Chief Financial Officer of the General Partner

EXHIBIT 32.1

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, 2019 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 25, 2020

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.

EXHIBIT 32.2

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, 2019 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 25, 2020

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.

EXHIBIT 32.3

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, 2019 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 25, 2020

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.

EXHIBIT 32.4

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, 2019 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 25, 2020

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.

Exhibit 99.1

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.

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. 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 the Prospectus. Alston & Bird LLP has rendered an opinion to us, as of February 22, 2019, 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 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 this 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, this opinion is based upon our factual representations set forth herein and in the Prospectus 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.

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% of 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 contains provisions that may change the way that we calculate our REIT taxable income and that our subsidiaries calculate their taxable income in taxable years beginning after December 31, 2017. Under the Tax Cuts and Jobs Act, we may have 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, for taxable years beginning after December 31, 2017, the Tax Cuts and Jobs Act limits interest deductions for businesses, whether in corporate or pass-through form, to the sum of the taxpayer's business interest income for the tax year and 30% of the taxpayer's adjusted taxable income for the tax year. Proposed Treasury Regulations would define interest expansively to cover various amounts not otherwise treated as interest. This limitation could apply to 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 new accelerated expensing rules under the Tax Cuts and Jobs Act will 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. Finally, there are new limitations on the use of net operating losses arising in taxable years beginning after December 31, 2017.

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 in this prospectus, 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, 2017, 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 FIRPTA 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, new rules apply for U.S. federal income tax audits of partnerships. 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.