

DUKE REALTY CORP
Form 10-Q
May 12, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended **March 31, 2008**

OR

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

For the transition period from _____ to _____ .

Commission File Number: 1-9044

DUKE REALTY CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Indiana
(State or Other Jurisdiction
of Incorporation or Organization)

600 East 96th Street, Suite 100
Indianapolis, Indiana
(Address of Principal Executive Offices)

35-1740409
(IRS Employer
Identification Number)

46240
(Zip Code)

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

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

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at May 1, 2008
Common Stock, \$.01 par value per share	146,686,438 shares

DUKE REALTY CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

(in thousands, except per share amounts)

	March 31, 2008	December 31, 2007
	(Unaudited)	
ASSETS		
Real estate investments:		
Land and improvements	\$ 938,764	\$ 872,372
Buildings and tenant improvements	4,849,556	4,600,408
Construction in progress	444,691	412,729
Investments in and advances to unconsolidated companies	665,572	601,801
Land held for development	836,245	912,448
	7,734,828	7,399,758
Accumulated depreciation	(1,029,862)	(951,375)
Net real estate investments	6,704,966	6,448,383
Real estate investments and other assets held for sale	144,077	273,591
Cash and cash equivalents	15,529	48,012
Accounts receivable, net of allowance of \$1,812 and \$1,359	26,672	29,009
Straight-line rent receivable, net of allowance of \$2,095 and \$2,886	116,682	110,737
Receivables on construction contracts, including retentions	70,684	66,925
Deferred financing costs, net of accumulated amortization of \$30,337 and \$29,170	53,480	55,987
Deferred leasing and other costs, net of accumulated amortization of \$163,576 and \$150,702	377,253	374,635
Escrow deposits and other assets	250,900	254,702
	\$ 7,760,243	\$ 7,661,981
LIABILITIES AND SHAREHOLDERS' EQUITY		
Indebtedness:		
Secured debt	\$ 506,071	\$ 524,393
Unsecured notes	3,121,000	3,246,000
Unsecured lines of credit	635,068	546,067
	4,262,139	4,316,460
Liabilities of properties held for sale	3,813	8,954
Construction payables and amounts due subcontractors, including retentions	129,631	142,655
Accrued expenses:		
Real estate taxes	72,559	63,796
Interest	38,490	54,631
Other	31,283	59,221
Other liabilities	127,971	148,013
Tenant security deposits and prepaid rents	38,085	34,535
Total liabilities	4,703,971	