

DUKE REALTY CORP
Form 424B5
June 16, 2010
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FILED PURSUANT TO
RULE 424(B)(5)
REGISTRATION NO: 333-160952

This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated June 16, 2010

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated July 31, 2009)

23,000,000 Common Shares

We are offering 23,000,000 shares of our common stock, par value \$0.01 per share, to be sold in this offering. We have granted the underwriters an option to purchase up to 3,450,000 additional shares of our common stock to cover over-allotments, if any.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol DRE. On June 15, 2010, the reported closing price of our common stock on the NYSE was \$12.73 per share.

To assist us in maintaining our qualification as a real estate investment trust, or REIT, for federal income tax purposes, our articles of incorporation contain certain restrictions on ownership of our common stock. See Description of Common Stock Restrictions on Ownership in the accompanying prospectus.

Investing in our common stock involves risk. See Supplemental Risk Factors beginning on page S-6 of this prospectus supplement and the risks set forth under the heading Item 1A. Risk Factors beginning on page 5 of our Annual Report on Form 10-K for the year ended December 31, 2009.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts	\$	\$
Proceeds, before expenses, to us	\$	\$

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about June , 2010.

Joint Book-Running Managers

Morgan Stanley

UBS Investment Bank

The date of this prospectus supplement is June , 2010.

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We include cross references in this prospectus supplement to captions elsewhere in these materials where you can find further related discussions. The following table of contents tells you where to find these captions.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using an automatic shelf registration statement. Our shelf registration statement allows us to offer from time to time a wide array of securities. In the accompanying prospectus, we provide you with a general description of the securities we may offer from time to time under our shelf registration statement and other general information that may apply to this offering. In this prospectus supplement, we provide you with specific information about the common stock that we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include important information about us, our common stock and other information that you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying prospectus. You should carefully read both this prospectus supplement and the accompanying prospectus as well as additional information described under **Where You Can Find More Information** in the accompanying prospectus before investing in our common stock.

Generally, when we refer to this prospectus supplement, we are referring to both this prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference herein and therein. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. You should not rely on any other information that you may otherwise receive. We are not, and the underwriters are not, making an offer to sell or selling these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference is accurate as of any date other than the respective dates of those documents, except where the information is as of a specific date. In case there are any differences or inconsistencies between this prospectus supplement, the accompanying prospectus and the information incorporated by reference, you should rely on the information in the document with the latest date.

Duke Realty Corporation is an Indiana corporation. Our principal offices are located at 600 East 96th Street, Suite 100, Indianapolis, Indiana 46240, and our telephone number at that address is (317) 808-6000. Our website is located at <http://www.dukerealty.com>. The information contained on our website is not part of this prospectus supplement or the accompanying prospectus.

All references to Duke, we, us, our or the Company in this prospectus supplement mean Duke Realty Corporation and all entities owned or controlled by Duke Realty Corporation, except where it is made clear that the term means only Duke Realty Corporation.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in or incorporated by reference into this prospectus supplement, including, without limitation, those related to our future operations, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words believe, estimate, expect, anticipate, intend, plan, seek, similar expressions or statements regarding future periods are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results to differ materially from any predictions of future results, performance or achievements that we express or imply in this prospectus supplement or in the information incorporated by reference into this prospectus supplement. Some of the risks, uncertainties and other important factors that may affect future results include, among others:

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

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Our continued qualification as a REIT for U.S. federal income tax purposes;

Heightened competition for tenants and potential decreases in property occupancy;

Potential increases in real estate construction costs;

Potential changes in the financial markets and interest rates;

Volatility in our stock price and trading volume;

Our continued ability to raise funds on favorable terms;

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

Our ability to be flexible in the development and operations of joint venture properties;

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

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 SEC.

Although we presently believe that the plans, expectations and results expressed in or suggested by the forward-looking statements are reasonable, all forward-looking statements are inherently subjective, uncertain and subject to change, as they involve substantial risks and uncertainties beyond our control. New factors emerge from time to time, and it is not possible for us to predict the nature, or assess the potential impact, of each new factor on our business. Given these uncertainties, we caution you 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.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. Additional information regarding risk factors that may affect us is included under the caption "Supplemental Risk Factors" beginning on page S-6 and "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which we filed with the SEC on March 1, 2010, and is updated by us from time to time in Quarterly Reports on Form 10-Q and other public filings.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about us. It may not contain all the information that may be important to you in deciding whether to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, together with the information incorporated by reference, including the risk factors, financial data and related notes, before making an investment decision.

Duke Realty Corporation

We are a self-administered and self-managed REIT, which began operations through a related entity in 1972. As of March 31, 2010, we own and operate 745 in-service properties totaling approximately 132.9 million square feet and have six properties under development with more than 1.4 million square feet.

We provide the following services for our properties and for certain properties owned by third parties and joint ventures:

Property leasing;

Property management;

Asset management;

Construction;

Development; and

Other tenant-related services.

We are one of the largest publicly traded, most vertically integrated real estate companies in the United States. In addition to our office and industrial product focus in the Midwest, Southwest, Mid-Atlantic and Southeast United States, we provide development expertise to medical office clients through our wholly owned BremnerDuke Healthcare Real Estate division.

We directly or indirectly hold all of the interests in our properties and land and conduct all of our operations through Duke Realty Limited Partnership, which we refer to as the Operating Partnership. We control the Operating Partnership as its sole general partner and owned, as of March 31, 2010, approximately 97.1% of the Operating Partnership's outstanding common units. Holders of common units in the Operating Partnership (other than us) may exchange them for our common stock on a one-for-one basis. When common units are exchanged for common stock, our percentage interest in the Operating Partnership increases.

Recent Developments

Acquisition

We have agreed to purchase our partner's 50% interest in Dugan Realty, L.L.C., or the Dugan joint venture, for \$298.2 million, including the assumption of debt. The Dugan joint venture has \$283.0 million of outstanding debt comprised of a \$195.4 million secured loan due in October 2010 and a \$87.6 million secured loan due in October 2012. The Dugan joint venture owns 106 industrial buildings totaling approximately 20.8 million square feet and 62.6 net acres of undeveloped land located in the Midwest and Southeast markets. The portfolio was 85.3% leased as of March 31, 2010. Upon completion of the acquisition, we will directly or indirectly own 100% of the Dugan joint venture.

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Financing Update

On April 1, 2010, we completed the issuance and sale of \$250 million aggregate principal amount of senior unsecured notes that bear interest at 6.75% and mature in March 2020. The proceeds of the notes issuance were primarily used to repurchase unsecured notes of various series pursuant to a cash tender offer. The unsecured notes purchased in the tender offer had a face value of \$212.2 million and, after considering the write-off of applicable issuance costs and other accounting adjustments, we recognized a loss of \$14.1 million on the repurchase.

We had no outstanding borrowings under our \$850.0 million unsecured line of credit at March 31, 2010.

The Offering

Common stock offered by us ⁽¹⁾	23,000,000
Common stock outstanding after this offering ⁽¹⁾	247,974,248
Use of Proceeds	We expect to receive net proceeds from the sale of the common stock of approximately \$280.8 million, after deducting underwriting discounts and estimated offering expenses. If the underwriters over-allotment option is exercised in full, our net proceeds from the offering will be approximately \$323.0 million, after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds from this offering to fund the acquisition of our partner's 50% interest in the Dugan joint venture, to repay debt and for general corporate purposes.
New York Stock Exchange symbol	DRE

(1) We have granted the underwriters a 30-day option to purchase up to 3,450,000 additional shares of our common stock. Unless otherwise indicated, all amounts in this prospectus supplement assume no exercise of the underwriters' option.

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SUPPLEMENTAL RISK FACTORS

Investing in our common stock involves risks. In deciding whether to invest in our common stock, you should carefully consider the following risk factors and the risk factors included in our 2009 Annual Report on Form 10-K, in addition to the other information contained in this prospectus supplement and the accompanying prospectus and the information incorporated by reference herein. The risks and uncertainties described below and in our 2009 Annual Report on Form 10-K are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of these risks occurs, our business, financial condition or results of operations could be materially and adversely affected. In that case, the value of our common stock and your investment could decline.

We and our Operating Partnership recently received comment letters from the staff of the SEC with regard to our Annual Reports on Form 10-K for the fiscal year ended December 31, 2009. It is possible that, as a result of the SEC's review, we may be required to make changes to the information included in our Annual Reports on Form 10-K.

We and our Operating Partnership each received substantially identical letters, dated May 20, 2010, from the SEC containing comments on the Annual Reports on Form 10-K filed by the Operating Partnership and us (the 2009 Annual Reports). Among other items, the SEC requested that we provide the staff of the SEC with explanations of how we determined the fair value of certain of our assets when using the market approach. Our financial statements included in the 2009 Annual Reports were audited by our independent auditors, KPMG LLP, and we, with the assistance of our independent auditors, have provided the SEC with the requested explanations. As a result of the SEC's review of our responses, we may be required to make changes to the information included in the 2009 Annual Reports. Based upon the comments included in the May 20, 2010 letters from the SEC, we currently do not believe that such revisions, if any, would include any changes to our financial statements. However, there can be no assurance that our current expectations will prove to be correct, and it is possible that during the course of the SEC's continuing review, the staff of the SEC may raise additional comments that could result in changes to our 2009 Annual Reports which are different from our current expectations.

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 (S&P) based on their evaluation of our creditworthiness. These agencies' ratings are based on a number of factors, some of which are not within our control. In addition to factors specific to our financial strength and performance, the rating agencies also consider conditions affecting REITs generally. In January 2010, S&P downgraded our credit rating. All of our debt ratings remain investment grade, but in light of the difficulties continuing to confront the economy generally, including, among others, the weak global economic conditions, credit market disruptions, and the severe stress on commercial real estate markets, there can be no assurance that we will not be further downgraded or that any of our ratings will remain investment grade. If our credit ratings are further 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.

Further credit rating reductions by one or more rating agencies could also adversely affect our access to funding sources and the cost and other terms of obtaining funding. We expect that existing cash, cash equivalents, marketable securities and cash provided from operations will be sufficient to meet ongoing cash requirements. However, our failure to generate sufficient cash as our debt becomes due or to renew credit lines prior to their expiration could materially adversely affect our business, financial condition, operating results and cash flow.

We may change the dividend policy for our common stock in the future.

A recent Internal Revenue Service (IRS) revenue procedure allows us to satisfy our 2010 REIT distribution requirement by distributing up to 90% of the aggregate dividends on our common stock in shares of our common

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stock in lieu of cash. Although we do not currently intend to distribute a portion of our dividends in shares of common stock, we may distribute a portion of our dividends in shares of our common stock in the future. In the event that we pay a portion of our dividends in shares of our common stock, taxable U.S. shareholders would be required to pay tax on the entire amount of the dividend, including the portion paid in shares of common stock, in which case such shareholders may have to use cash from other sources to pay such tax. If a U.S. shareholder sells the common stock it receives as a dividend in order to pay its taxes, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non-U.S. shareholders, we may be required to withhold federal tax with respect to our dividends, including dividends that are paid in stock. In addition, if a significant number of our shareholders sell shares of our common stock in order to pay taxes owed on dividends, such sales would put downward pressure on the market price of our common stock.

The decision to declare and pay dividends on our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our Board of Directors and will depend on our earnings, funds from operations, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness and preferred stock, the annual distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended (the Code), state law and such other factors as our Board of Directors deems relevant. Any change in our dividend policy could have a material adverse effect on the market price of our common stock.

Adverse global market and economic conditions may continue to adversely affect us and could cause us to recognize additional impairment charges or otherwise harm our performance.

Ongoing adverse market and economic conditions and market volatility will likely continue to make it difficult to value the properties and investments owned by us and our unconsolidated joint ventures. There may be significant uncertainty in the valuation, or in the stability of the value, of such properties and investments that could result in a substantial decrease in the value thereof. In addition, we intend to sell many of our non-core assets over the next several years. No assurance can be given that we will be able to recover the current carrying amount of all of our properties and investments and those of our unconsolidated joint ventures and/or our goodwill in the future. Our failure to do so would require us to recognize additional impairment charges for the period in which we reached that conclusion, which could materially and adversely affect us and the market price of our common stock.

Future sales or issuances of our common stock may dilute the ownership interest of existing shareholders and depress the trading price of our common stock.

Future sales or issuances of our common stock may dilute the ownership interests of our existing shareholders. In addition, future sales or issuances of substantial amounts of our common stock may be at prices below the offering price of the shares offered by this prospectus supplement and may adversely impact the market price of our common stock.

The price of our common stock may fluctuate significantly.

The market price of our common stock may fluctuate significantly in response to many factors, including:

actual or anticipated variations in our operating results or dividends;

changes in our funds from operations or earnings estimates;

our ability to meet quarterly estimates published by securities analysts, which may be based on assumptions which differ from our actual results;

publications of research reports about us or the real estate industry, generally;

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increases in market interest rates that lead purchasers of our shares to demand a higher dividend yield;

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changes in market valuations of similar companies;

adverse market reaction to any additional debt we incur in the future;

additions or departures of key management personnel;

actions by institutional shareholders;

speculation in the press or investment community;

the realization of any of the other risk factors included in, or incorporated by reference to, this prospectus supplement; and

general market and economic conditions.

In addition, many of the factors listed above are beyond our control. These factors may cause the market price of our common stock to decline, regardless of our financial condition, results of operations, business or prospects. It is impossible to ensure that the market price of our common stock will not fall in the future.

We may enter into future acquisitions and take certain actions in connection with such acquisitions that could affect the price of our common stock.

As part of our growth strategy, we expect to continue to regularly review acquisition prospects that would offer business and strategic opportunities. In the event of future acquisitions, we could:

use a significant portion of our available cash;

issue equity securities, which would dilute the current percentage ownership of our shareholders;

incur substantial debt;

incur or assume contingent liabilities, known or unknown; and

incur amortization expenses related to intangibles.

Any such actions by us could harm our business, financial condition, results of operations or prospects and adversely affect the market price of our common stock.

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We expect to receive net proceeds from the sale of the common stock of approximately \$280.8 million, after deducting underwriting discounts and estimated offering expenses. If the underwriters' over-allotment option is exercised in full, our net proceeds from the offering will be approximately \$323.0 million, after deducting underwriting discounts and estimated offering expenses. We presently intend to use the net proceeds from this offering to fund the acquisition of our partner's 50% interest in the Dugan joint venture, to repay debt and for general corporate purposes.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2010, on an actual basis and on a pro forma basis, to give effect to the offering and sale of 23,000,000 shares of our common stock in this offering at an assumed public offering price per share of \$12.73 per share, which was the last reported sales price of our common stock on the NYSE on June 15, 2010, after deducting underwriting discounts and estimated offering expenses payable by us of approximately \$12 million.

The amount of proceeds we ultimately receive from this offering of common stock is dependent upon numerous factors and subject to general market conditions. Also, we may increase or decrease the number of shares in this offering. Accordingly, the actual amounts shown in the Adjustments and the Pro Forma As Adjusted columns may differ materially from those shown below.

The capitalization table should be read in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	March 31, 2010		Pro Forma As Adjusted
	Actual (In thousands, except per share amounts)	Adjustments	
Cash and cash equivalents	\$ 30,999	\$ 280,788	\$ 311,787
Indebtedness			
Secured debt	785,769		785,769
Unsecured notes	2,938,688		2,938,688
Unsecured lines of credit	15,876		15,876
Total Indebtedness	3,740,333		3,740,333
Total Liabilities	4,175,080		4,175,080
Equity			
Preferred shares (\$.01 par value); 5,000 shares authorized, 4,067 shares issued and outstanding	1,016,625		1,016,625
Common shares (\$.01 par value); 400,000 shares authorized; 224,253 (actual) and 248,743 (as adjusted) shares issued and outstanding	2,243	230	2,473
Additional paid-in capital	3,271,517	280,558	3,552,075

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	March 31, 2010		Pro Forma As Adjusted
	Actual	Adjustments	Adjusted
	(In thousands, except per share amounts)		
Accumulated other comprehensive income (loss)	(4,906)		(4,906)
Distributions in excess of net income	(1,409,048)		(1,409,048)
Total shareholders' equity	2,876,431	280,788	3,157,219
Noncontrolling interests	40,757		40,757
Total equity	2,917,188	280,788	3,197,976

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ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain additional federal income tax considerations with respect to our qualification as a REIT and the ownership of our common stock. Investors should review the discussion in the accompanying prospectus under the heading "Federal Income Tax Considerations" for a more detailed summary of the federal income tax consequences of the purchase, ownership and disposition of our common stock and our election to be subject to federal income tax as a REIT.

New Unearned Income Medicare Tax

Under the recently enacted Health Care and Education Reconciliation Act of 2010, amending the Patient Protection and Affordable Care Act, high-income U.S. individuals, estates, and trusts will be subject to an additional 3.8% tax on net investment income in tax years beginning after December 31, 2012. 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 individual's net investment income or the excess of the individual's 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. U.S. stockholders 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.

Recent Changes in U.S. Federal Income Tax Withholding

Recently enacted U.S. federal income tax legislation imposes withholding taxes on certain types of payments made after December 31, 2012 to foreign financial institutions and certain other non-U.S. entities. The withholding tax of 30% would apply to dividends and the gross proceeds of a disposition of our stock paid to certain foreign entities unless various information reporting requirements are satisfied. For these purposes, a foreign financial institution generally is defined as any non-U.S. entity that (i) accepts deposits in the ordinary course of a banking or similar business, (ii) is engaged in the business of holding financial assets for the account of others, or (iii) is engaged or holds itself out as being engaged primarily in the business of investing, reinvesting, or trading in securities, partnership interest, commodities, or any interest in such assets. Prospective investors are encouraged to consult their tax advisors regarding the implications of this legislation on their investment in our stock, as well as the status of any related federal regulations.

Sunset of Reduced Tax Rate Provisions

Several of the tax considerations described in the accompanying prospectus under the heading "Federal Income Tax Considerations" are subject to a sunset provision. The sunset provisions generally provide that for taxable years beginning after December 31, 2010, certain provisions that are currently in the Code will revert back to a prior version of those provisions. These provisions include provisions related to the reduced maximum U.S. federal income tax rate for long-term capital gains of 15% (rather than 20%) for taxpayers taxed at individual rates, the application of the 15% U.S. federal income tax rate for qualified dividend income, and certain other tax rate provisions described herein. The impact of this reversion generally is not discussed in the accompanying prospectus under the heading "Federal Income Tax Considerations." Consequently, prospective stockholders are urged to consult their tax advisors regarding the effect of sunset provisions on an investment in our common stock.

Table of Contents**UNDERWRITING**

We are offering the shares of common stock described in this prospectus supplement through the underwriters listed in the table below. Morgan Stanley & Co. Incorporated and UBS Securities LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. Subject to the terms and conditions contained in the terms agreement (including the terms and conditions of the underwriting agreement attached as Annex A thereto) dated as of the date of this prospectus supplement, we have agreed to sell to each of the underwriters named below, severally and not jointly, and each of the underwriters has severally and not jointly agreed to purchase from us, the number of shares set forth opposite their names below.

Underwriters	Number of Shares
Morgan Stanley & Co. Incorporated	
UBS Securities LLC	
Total	

The underwriters have advised us that they propose initially to offer the shares of common stock to the public at the public offering price set forth on the cover page of this prospectus supplement, and to certain dealers at such price less a concession not in excess of \$ _____ per share. After the offering, the public offering price, concession and discounts may be changed.

We have granted the underwriters an option to purchase up to 3,450,000 additional shares of common stock at the public offering price, less the underwriting discounts and commissions described on the cover page of this prospectus supplement. The underwriters may exercise this option solely to cover over-allotments, if any. This option may be exercised, in whole or in part, at any time within the 30-day period after the date of this prospectus supplement.

The following table shows the per share and total public offering price, underwriting discount and proceeds, before expenses, to us.

	Per Share	Total Without Over-Allotment	Total With Over- Allotment
Public offering price	\$	\$	\$
Underwriting discount	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

We presently expect to incur expenses of approximately \$290,000 in connection with this offering.

We and our Operating Partnership have agreed with Morgan Stanley & Co. Incorporated and UBS Securities LLC that, subject to certain limited exceptions, without their prior written consent, we and our Operating Partnership will not directly or indirectly, during the period commencing on the date hereof and ending 60 days after the date hereof, sell, offer to sell, grant any option for the sale of, enter into any agreement to sell, or otherwise dispose of any shares of our common stock. Furthermore, our executive officers and our principal accounting officer have agreed that without the prior written consent of Morgan Stanley & Co. Incorporated and UBS Securities LLC, they will not directly or indirectly, during the period commencing on the date hereof and ending 60 days after the date hereof (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any common stock or any securities convertible into or exercisable or exchangeable for common stock, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to, the registration of any common stock or any security convertible into or exercisable or exchangeable for common stock. The foregoing sentence does not apply, however, to (1) transactions relating to

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shares of common stock or other securities acquired in open market transactions after the completion of this offering, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended, shall be required or shall be voluntarily made in connection with subsequent sales of common stock or other securities acquired in such open market transactions, (2) transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock as a bona fide gift or (3) distributions of common stock or any security convertible into or exercisable or exchangeable for common stock to limited partners or shareholders, *provided* that in the case of any transfer or distribution pursuant to clause (2) or (3), (i) each donee or distributee shall sign and deliver a lock-up letter substantially in the form attached to the underwriting agreement and (ii) no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period referred to in the foregoing sentence. We have agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated and UBS Securities LLC, we will not permit any of our directors to engage in the types of transactions described in the immediately preceding sentence during the 60 days after the date hereof.

Morgan Stanley & Co. Incorporated and UBS Securities LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release the common stock and other securities from lock-up agreements, Morgan Stanley & Co. Incorporated and UBS Securities LLC will consider, among other factors, the holder's reasons for requesting the release, the number of shares or other securities for which the release is being requested and market conditions at the time.

The underwriters may engage in stabilizing transactions, covering transactions or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Securities Exchange Act of 1934, as amended.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Covering transactions involve purchases of common stock in the open market after the distribution has been completed in order to cover short positions.

These stabilizing transactions and covering transactions may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or if indemnification is not allowed, to contribute to payments the underwriters may be required to make because of those liabilities.

From time to time, the underwriters and certain of their affiliates have engaged, and may in the future engage, in transactions with, and perform investment banking and/or commercial banking services for, us and our affiliates in the ordinary course of business. Affiliates of Morgan Stanley & Co. Incorporated and UBS Securities LLC are lenders under our unsecured line of credit and would receive a share of the net proceeds, if any, used to repay borrowings under the line of credit proportionate to their respective commitments under the line of credit. In addition, each of Morgan Stanley & Co. Incorporated and UBS Securities LLC is a sales agent for our equity sales program pursuant to which we may sell up to \$150,000,000 in shares of common stock from time to time.

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Notice to Investors

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area, or EEA, which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), an offer to the public of our shares of common stock which are the subject of the offering contemplated by this prospectus supplement may not be made in that Relevant Member State, except that, with effect from, and including, the Relevant Implementation Date, an offer to the public in that Relevant Member State of our shares of common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- a) to legal entities which are authorized or regulated to operate in the financial markets, or, if not so authorized or regulated, whose corporate purpose is solely to invest in our shares of common stock;
- b) to any legal entity which has two or more of: (1) an average of at least 250 employees during the last (or, in Sweden, the last two) financial year(s); (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last (or, in Sweden, the last two) annual or consolidated accounts;
- c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or
- d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, *provided* that no such offer of our shares of common stock shall result in a requirement for the publication by us or any underwriter or agent of a prospectus pursuant to Article 3 of the Prospectus Directive.

As used above, the expression "offered to the public" in relation to any of our shares of common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our shares of common stock to be offered so as to enable an investor to decide to purchase or subscribe for our shares of common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The EEA selling restriction is in addition to any other selling restrictions set out in this prospectus supplement.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement is only being distributed to and is only directed at: (1) persons who are outside the United Kingdom; (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (3) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons falling within (1)-(3) together being referred to as "relevant persons"). Our shares of common stock are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement or any of its contents.

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Notice to Prospective Investors in Switzerland

This prospectus supplement does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations (CO) and our shares of common stock will not be listed on the SIX Swiss Exchange. Therefore, this prospectus supplement may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange. Accordingly, our shares of common stock may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, which do not subscribe to our shares of common stock with a view to distribution.

Notice to Prospective Investors in Australia

This prospectus supplement is not a formal disclosure document and has not been, nor will be, lodged with the Australian Securities and Investments Commission. It does not purport to contain all information that an investor or its professional advisers would expect to find in a prospectus or other disclosure document (as defined in the Corporations Act 2001 (Australia)) for the purposes of Part 6D.2 of the Corporations Act 2001 (Australia) or in a product disclosure statement for the purposes of Part 7.9 of the Corporations Act 2001 (Australia), in either case, in relation to our shares of common stock.

Our shares of common stock are not being offered in Australia to retail clients as defined in sections 761G and 761GA of the Corporations Act 2001 (Australia). This offering is being made in Australia solely to wholesale clients for the purposes of section 761G of the Corporations Act 2001 (Australia) and, as such, no prospectus, product disclosure statement or other disclosure document in relation to our shares of common stock has been, or will be, prepared.

This prospectus supplement does not constitute an offer in Australia other than to wholesale clients. By submitting an application for our shares of common stock, you represent and warrant to us that you are a wholesale client for the purposes of section 761G of the Corporations Act 2001 (Australia). If any recipient of this prospectus supplement is not a wholesale client, no offer of, or invitation to apply for, our securities shall be deemed to be made to such recipient and no applications for our shares of common stock will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient. In addition, by applying for our shares of common stock you undertake to us that, for a period of 12 months from the date of issue of such shares, you will not transfer any interest in such shares to any person in Australia other than to a wholesale client.

Notice to Prospective Investors in Hong Kong

Our shares of common stock may not be offered or sold in Hong Kong, by means of this prospectus supplement or any document other than (i) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, (ii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong). No advertisement, invitation or document relating to our shares of common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere) which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

Our shares of common stock have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and our shares of common stock will not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan, or to a resident of Japan, except pursuant

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to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore, and in Singapore, the offer and sale of our shares of common stock is made pursuant to exemptions provided in sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (SFA). Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our shares of common stock may not be circulated or distributed, nor may our shares of common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (ii) to a relevant person as defined in section 275(2) of the SFA pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with the conditions (if any) set forth in the SFA. Moreover, this document is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Prospective investors in Singapore should consider carefully whether an investment in our shares of common stock is suitable for them.

Where our shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) for a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
shares of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA, except:
 - (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
 - (2) where no consideration is given for the transfer; or
 - (3) where the transfer is by operation of law.

In addition, investors in Singapore should note that our share of common stock acquired by them are subject to resale and transfer restrictions specified under Section 276 of the SFA, and they, therefore, should seek their own legal advice before effecting any resale or transfer of their shares.

LEGAL MATTERS

The legality of the securities offered by this prospectus supplement will be passed on for us by Alston & Bird LLP, Atlanta, Georgia. Certain legal matters in connection with this offering will be passed upon for the underwriters by Clifford Chance US LLP, New York, New York. Clifford Chance US LLP also acts from time to time as counsel to us in matters unrelated to this offering.

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PROSPECTUS

DUKE REALTY CORPORATION

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DUKE REALTY LIMITED PARTNERSHIP

Debt Securities

This prospectus describes debt and equity securities that may be issued and sold, from time to time, by Duke Realty Corporation and/or Duke Realty Limited Partnership, or that may be offered and sold, from time to time, by selling securityholders to be identified in the future. Duke Realty Corporation may offer and sell common stock, preferred stock, depositary shares, warrants, stock purchase contracts, units and guarantees of debt securities, and Duke Realty Limited Partnership may offer and sell debt securities. The debt securities, preferred stock, warrants and stock purchase contracts may be convertible into or exercisable or exchangeable for common or preferred stock or other securities of Duke Realty Corporation or Duke Realty Limited Partnership or debt or equity securities of one or more other entities. The common stock of Duke Realty Corporation is listed on the New York Stock Exchange under the ticker symbol DRE.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

To the extent that any selling securityholder resells any securities, the selling securityholder may be required to provide you with this prospectus and a prospectus supplement identifying and containing specific information about the selling securityholder and the terms of the securities being offered.

This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered will be described in a supplement to this prospectus.

Investing in our securities involves various risks. You should carefully read and consider the risk factors included in our periodic reports and other information that we file with the Securities and Exchange Commission before you invest in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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The date of this prospectus is July 31, 2009.

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We include cross references to captions elsewhere in this prospectus where you can find related additional information. The following table of contents tells you where to find these captions.

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Please read this prospectus carefully. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. This prospectus may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus is accurate as of any date later than the date hereof or such other dates as are stated herein or as of the respective dates of any documents or other information incorporated herein by reference.

In this prospectus, the words "Duke," "we," "us" and "our" refer to Duke Realty Corporation and "Operating Partnership" refers to Duke Realty Limited Partnership.

This prospectus is part of a "shelf" registration statement that we filed with the United States Securities and Exchange Commission, or the "SEC." Under this shelf registration statement, Duke and the Operating Partnership from time to time may issue and sell any combination of the securities described in this prospectus in one or more offerings, and selling securityholders may from time to time offer and sell any such security owned by them.

This prospectus provides you with a general description of the securities that Duke, the Operating Partnership or the selling securityholders may offer. No person is authorized to give any information or represent anything not contained in this prospectus or any prospectus supplement. Duke, the Operating Partnership and the selling securityholders are only offering the securities in places where sales of those securities are permitted. You should not assume that the information contained in this prospectus and any accompanying prospectus supplement, or information incorporated by reference herein or therein, is current as of any date other than the date of such information. Our business, financial condition, results of operations and prospects and the business may have changed since that date. Each time that Duke, the Operating Partnership or any selling securityholder sells securities, they will provide a supplement to this prospectus that contains specific information about the terms of the securities and the offering. A prospectus supplement may include a discussion of any risk factors or other special considerations applicable to those securities or to us. A prospectus supplement may add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement, you should rely on the information in the prospectus supplement. Before you buy any of our securities, it is important for you to consider the information contained in this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information."

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC website or at the SEC public reference room mentioned under the heading "Where You Can Find More Information."

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WHERE YOU CAN FIND MORE INFORMATION

Duke and the Operating Partnership file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that Duke and the Operating Partnership file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information about the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet site at www.sec.gov. In addition, since some of our securities are listed on the New York Stock Exchange, you can read our SEC filings at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC's rules allow us to incorporate by reference information into this prospectus. This means that Duke and the Operating Partnership can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we and the Operating Partnership file that document. Any reports filed by Duke or the Operating Partnership with the SEC after the date of this prospectus will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

Duke and the Operating Partnership incorporate by reference the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

Duke's Annual Report on Form 10-K for the year ended December 31, 2008;

the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2008;

Duke's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009;

the Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009;

Duke's Current Reports on Form 8-K filed February 2, March 2, April 21, May 5, June 3, July 22 and July 29, 2009 (except for information furnished to the SEC that is not deemed to be filed for purposes of the Securities Exchange Act of 1934, as amended, or the Exchange Act);

the Operating Partnership's Current Reports on Form 8-K filed on February 2, March 2, April 21, May 5, June 3, July 22 and July 29, 2009 (except for information furnished to the SEC that is not deemed to be filed for purposes of the Exchange Act);

the description of our common stock included in our Registration Statement on Form 8-A dated January 2, 1986, as amended; and

all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and before the termination of this offering (except for information furnished to the SEC that is not deemed to be filed for purposes of the Exchange Act).

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We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request a copy of these filings, at no cost, by writing or telephoning us at:

Investor Relations

Duke Realty Corporation

600 East 96th Street, Suite 100

Indianapolis, Indiana 46240

Telephone: (317) 808-6000

We also maintain an Internet site at www.dukerealty.com at which there is additional information about our business, but the contents of that site are not incorporated by reference into, and are not otherwise a part of, this prospectus.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in or incorporated by reference into this prospectus, 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, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. The words believe, estimate, expect, anticipate, intend, plan, may and similar expressions or statements regarding future periods are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this prospectus or in the information incorporated by reference into this prospectus. Some of the risks, uncertainties and other important factors that may affect future results include, among others:

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

Our continued qualification as a real estate investment trust, or REIT for U.S. federal income tax purposes;

Heightened competition for tenants and potential decreases in property occupancy;

Potential increases in real estate construction costs;

Potential changes in the financial markets and interest rates;

Volatility in our stock price and trading volume;

Our continuing ability to raise funds on favorable terms, if at all, through the issuance of debt and equity in the capital markets, which may negatively affect both our ability to refinance our existing debt as well as our future interest expense;

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

Our ability to be flexible in the development and operation of joint venture properties;

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

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 or incorporated by reference herein, including, without limitation, those risks and uncertainties discussed from time to time in our other reports and other public filings with the SEC.

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This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. Additional information regarding risk factors that may affect us is included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which we filed with the SEC on February 25, 2009, and is updated by us from time to time in our subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and in other public filings.

Although we presently believe that the plans, expectations and results expressed in or suggested by the forward-looking statements are reasonable at the time they were made, all forward-looking statements are inherently uncertain, and subject to change, as they involve substantial risks and uncertainties beyond our control. New factors emerge from time to time, and it is not possible for us to predict the nature or assess the

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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 have and 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 may be required by law.

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DUKE AND THE OPERATING PARTNERSHIP

We are a self-administered and self-managed REIT that began operations through a related entity in 1972. As of March 31, 2009, our diversified portfolio of 764 rental properties (including 22 properties comprising approximately 4.0 million square feet under development) encompassed approximately 135 million rentable square feet.

We provide the following services for our properties and for certain properties owned by third parties and joint ventures:

property leasing;

property and asset management;

construction;

development; and

other tenant-related services.

We are one of the largest publicly-traded, most vertically integrated real estate companies in the United States. In addition to our office and industrial product focus in the Midwest, Southwest, Mid-Atlantic and Southeast United States, we provide development expertise to medical office clients through our wholly owned Bremner-Duke Healthcare Real Estate division.

We directly or indirectly hold all of the interests in our properties and land and conduct all of our operations through the Operating Partnership. We control the Operating Partnership as its sole General Partner and owned, as of March 31, 2009, approximately 95.6% of the Operating Partnership's outstanding common units. Holders of common units in the Operating Partnership (other than us) may exchange them for our common stock on a one for one basis. When common units are exchanged for common stock, our percentage interest in the Operating Partnership increases.

Table of Contents**USE OF PROCEEDS**

As required by the terms of the partnership agreement of the Operating Partnership, we must contribute to the Operating Partnership, in exchange for additional common or preferred units of the Operating Partnership, the net proceeds from any sale of shares of our capital stock (including any shares of our common stock or preferred stock or any depositary shares) and from the exercise of rights contained in any options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase such shares of capital stock. Unless otherwise specified in the prospectus supplement, we will use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes. These purposes may include the development and acquisition of additional rental properties and other acquisition transactions, the repayment of outstanding debt and improvements to properties in our portfolio.

Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds in the event that securities are sold by a selling securityholder.

RATIOS OF EARNINGS TO COMBINED FIXED CHARGES**AND PREFERRED STOCK DIVIDENDS**

The following table shows ratios of earnings to fixed charges for Duke and the Operating Partnership for the periods shown:

	Duke	Operating Partnership
Three Months Ended March 31, 2009	1.50	1.50
Year Ended December 31, 2008	1.15	1.15
Year Ended December 31, 2007	1.45	1.45
Year Ended December 31, 2006	1.60	1.60
Year Ended December 31, 2005	2.16	2.16
Year Ended December 31, 2004	2.29	2.29

The following table shows ratios of earnings to combined fixed charges and preferred stock dividends for Duke and the Operating Partnership for the periods shown:

	Duke	Operating Partnership
Three Months Ended March 31, 2009	1.15	1.15
Year Ended December 31, 2008	*	*
Year Ended December 31, 2007	1.16	1.16
Year Ended December 31, 2006	1.25	1.25
Year Ended December 31, 2005	1.54	1.54
Year Ended December 31, 2004	1.73	1.73

* The ratio is less than 1.0; a deficit of \$34.7 million exists for the year ended December 31, 2008.

For purposes of computing these ratios, earnings have been calculated by adding fixed charges, excluding capitalized interest, to income (loss) from continuing operations before gains or losses on land and depreciated property sales and (if applicable) minority interest in the Operating Partnership. Fixed charges consist (if applicable) of interest costs, whether expensed or capitalized, the interest component of rental expense and amortization of debt issuance costs.

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DESCRIPTION OF DEBT SECURITIES

The following summary outlines some of the material terms of the Operating Partnership's debt securities which could be senior debt securities or subordinated debt securities. The debt securities may consist of debentures, notes or other evidences of indebtedness, which may be guaranteed on a senior or subordinated basis by Duke. The specific terms of any debt securities and the extent, if any, to which these general terms and provisions may or may not apply to the debt securities will be described in the prospectus supplement relating to the particular series of debt securities.

The Operating Partnership's debt securities will be issued under an indenture, dated as of July 28, 2006, by and between the Operating Partnership and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), as trustee. The trustee's office is currently located at Global Corporate Trust, 2 N. LaSalle Street, Suite 1020, Chicago, Illinois 60602. We have filed the indenture with the SEC, and the Trust Indenture Act of 1939 governs the indenture. The following description summarizes only the material provisions of the indenture. Accordingly, you should read the indenture, together with any applicable supplemental indenture(s), because it, and not this description, defines your rights as a holder of debt securities issued by the Operating Partnership.

General

The debt securities will be direct, unsecured obligations of the Operating Partnership. The senior debt securities will rank equally with all other senior debt of the Operating Partnership and the subordinated debt securities will rank equally with all other subordinated debt of the Operating Partnership, and will be subordinated to all of our existing and future senior debt. The debt securities will be effectively subordinated to the prior claims of each secured mortgage lender to any specific property that secures such lender's mortgage.

The Operating Partnership may issue debt securities in one or more series without limit as to aggregate principal amount. We can establish an issue of debt securities as sole general partner of the Operating Partnership by a resolution of our board of directors or by a supplemental indenture. All debt securities of one series need not be issued at the same time, and a series may generally be reopened for additional issuances without the consent of the holders of the debt securities of the series.

The indenture provides that there may be more than one trustee, each with respect to one or more series of debt securities. Any trustee under the indenture may resign or be replaced with a successor trustee. Upon written notice, a trustee may be removed by act of the holders of a majority in principle amount of the outstanding debt securities of the series with respect to which the trustee acts as trustee. Except as otherwise described in this prospectus, any action by a trustee may be taken only with respect to the debt securities for which it is trustee under the indenture.

A prospectus supplement will describe the specific terms of any series of debt securities the Operating Partnership offers, including:

the title and type of the debt securities;

whether that series of debt securities constitutes senior or subordinated debt securities;

the aggregate principal amount of the series of debt securities and any limit on the total principal amount of that series;

the price at which the Operating Partnership will issue the debt securities;

the terms, if any, by which holders may convert or exchange the debt securities of the series into or for common stock or other securities or property of Duke;

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if the debt securities of the series are convertible or exchangeable, any limitations on the ownership or transferability of the securities or property into which holders may convert or exchange the debt securities;

the dates on which the Operating Partnership will pay the principal of the debt securities;

the fixed or variable rate at which the debt securities will bear interest, or the method to determine the interest rate;

the basis upon which the Operating Partnership will calculate interest on the debt securities if other than a 360-day year of twelve 30-day months;

the timing and manner of making principal, interest and any premium payments on the debt securities;

the circumstances under which the Operating Partnership may defer interest payments;

if other than the trustee, the identity of each registrar and/or paying agent for the debt securities of the series;

the place where:

the Operating Partnership can make payments of the debt securities;

the debt securities can be surrendered; and

the holder may serve notices about the debt securities and the indenture, if other than as described in this prospectus;

the portion of the principal amount of the debt securities payable upon acceleration, if it is other than the full principal amount;

whether and under what conditions the Operating Partnership or the holders may redeem the debt securities;

any sinking fund or similar provisions;

the currency in which the Operating Partnership will pay principal, interest and any premium payments on the debt securities, if other than U.S. dollars;

the events of default or covenants of the debt securities, if they are different from or in addition to those described in this prospectus;

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whether the Operating Partnership will issue the debt securities in certificated or book-entry form;

whether the Operating Partnership will issue the debt securities in registered or bearer form and their denominations, if other than \$1,000 for registered form or \$5,000 for bearer form;

whether the defeasance and covenant defeasance provisions described in this prospectus apply to the debt securities or are different in any manner;

the time, manner and place for the debt securities to be authenticated and delivered, if the debt securities are to be issued upon the exercise of debt warrants;

whether and under what circumstances the Operating Partnership will pay additional amounts on the debt securities for any tax, assessment or governmental charge and, if so, whether the Operating Partnership will have the option to redeem the debt securities instead of paying these amounts; and

any other terms of the debt securities.

Some debt securities may provide for less than the entire principal amount to be payable upon acceleration of their maturity, which we refer to as original issue discount securities. The prospectus supplement will

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describe any material federal income tax, accounting and other considerations applicable to any such original issue discount securities.

Denominations, Interest, Registration and Transfer

Unless otherwise described in the prospectus supplement, the Operating Partnership will issue debt securities in denominations of:

\$1,000 if they are in registered form;

\$5,000 if they are in bearer form; or

any denomination if they are in global form.

Unless otherwise specified in the prospectus supplement, the principal, interest and any premium on debt securities will be payable at the corporate trust office of the trustee. However, the Operating Partnership may choose to pay interest by check mailed to the address of the registered holder or by wire transfer of funds to the holder at an account maintained within the United States. The Operating Partnership may change the paying agent or registrar for a series of debt securities without prior notice to the holders of the debt securities, and the Operating Partnership or any of its subsidiaries may act as paying agent or registrar.

If any interest date or a maturity date falls on a day that is not a business day, the required payment will be made on the next business day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such interest payment date or such maturity date, as the case may be. For purposes of the indenture, a business day is any day, other than a Saturday or Sunday, on which banking institutions in New York City are open for business.

Subject to limitations imposed upon debt securities issued in book-entry form, you may exchange debt securities for different denominations of the same series or surrender debt securities for transfer at the corporate trust office of the trustee. Every debt security surrendered for transfer or exchange must be duly endorsed or accompanied by a written instrument of transfer. The Operating Partnership will not require the holder to pay any service charge for any transfer or exchange, but the trustee or the Operating Partnership may require the holder to pay any applicable tax or other governmental charge.

Neither the Operating Partnership nor the trustee is required to:

issue, transfer or exchange any debt security if the debt security may be among those selected for redemption during a 15-day period prior to the date of selection;

transfer or exchange any registered security selected for redemption in whole or in part, except, in the case of a registered security to be redeemed in part, the portion not to be redeemed;

exchange any bearer security selected for redemption, except that the holder may exchange the bearer security for a registered security of that series if the holder simultaneously surrenders the registered security for redemption; or

issue, transfer or exchange any debt security that the holder surrenders for repayment.

Guarantees

The debt securities issued by the Operating Partnership may be guaranteed on a senior or subordinated basis by Duke, which guarantees would guarantee the due and punctual payments of principal, premium, if any, and interest on such debt securities, and the due and punctual payment of any sinking fund payments, if any, thereon, when and as the same shall become due and payable, including without limitation, at maturity,

whether scheduled or as the result of acceleration, call for redemption or otherwise. The applicability and terms of any such

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guarantees relating to a series of debt securities of the Operating Partnership will be set forth in the prospectus supplement relating to such debt securities.

Merger, Consolidation or Sale

The Operating Partnership may consolidate with, or sell, lease or convey all or substantially all of its assets to, or merge into, any other entity, provided that:

the Operating Partnership is the continuing entity, or the successor entity formed by the transaction or which received the transfer of assets expressly assumes payment of the principal, interest and any premium on all the debt securities and the performance and observance of all of the covenants and conditions contained in the indenture;

immediately after giving effect to the transaction and treating any debt that becomes an obligation of the Operating Partnership or any subsidiary as a result of the transaction as having been incurred by the Operating Partnership or such subsidiary at the time of such transaction, no event of default under the indenture, and no event which, after notice or the lapse of time, would become an event of default, has occurred and is continuing; and

the Operating Partnership delivers to the trustee an officers' certificate and legal opinion covering these conditions.

Except for the above restrictions, the indenture does not limit the ability of the Operating Partnership to enter into any of the following types of transactions:

a highly leveraged or similar transaction involving the Operating Partnership, the management of the Operating Partnership or Duke, or any affiliate of any such party;

a change of control; or

a reorganization, restructuring, merger or similar transaction involving the Operating Partnership that may adversely affect the holders of the debt securities.

In addition, subject to the limitations on merger, consolidation or sale described above, the Operating Partnership may enter into transactions in the future, such as the sale of all or substantially all of its assets or the merger or consolidation of the Operating Partnership, that would increase the amount of the Operating Partnership's debt or substantially reduce or eliminate its assets, which may have an adverse effect on the Operating Partnership's ability to service its debt, including the debt securities.

Financial Covenants

Limitations on Incurrence of Debt. The Operating Partnership will not directly or indirectly incur any debt, other than subordinate intercompany debt, if, after giving effect to the incurrence of the additional debt, the aggregate principal amount of all outstanding debt of the Operating Partnership on a consolidated basis determined in accordance with generally accepted accounting principles, or GAAP, is greater than 60% of its then-current total assets.

The Operating Partnership also will not directly or indirectly incur any debt if the ratio of consolidated income available for debt service to the amount that is expensed for interest on debt for the four most recent fiscal quarters would have been less than 1.5 to 1.0 on a pro forma basis after giving effect to the incurrence of the debt and to the application of the proceeds from the debt. In making this calculation, we assume that:

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the new debt and any other debt incurred by the Operating Partnership since the first day of the four-quarter period and the application of the proceeds from the new debt, including to refinance other debt, had occurred at the beginning of the period;

the repayment or retirement of any other debt by the Operating Partnership since the first day of the four-quarter period had been repaid or retired at the beginning of the period (except that the amount of

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debt under any revolving credit facility is computed based upon the average daily balance of that debt during the period);

the income earned on any increase in total assets since the end of the four-quarter period had been earned, on an annualized basis, during the period; and

in the case of any acquisition or disposition by the Operating Partnership of any assets since the first day of the four-quarter period, the acquisition or disposition or any related repayment of debt had occurred as of the first day of the period with the appropriate adjustments with respect to the acquisition or disposition being included in the pro forma calculation.

In addition, the Operating Partnership will not directly or indirectly incur any secured debt if, after giving effect to the incurrence of the additional secured debt, the aggregate principal amount of all outstanding secured debt of the Operating Partnership on a consolidated basis determined in accordance with GAAP is greater than 40% of its then-current total assets.

Maintenance of Total Unencumbered Assets. The Operating Partnership must maintain total unencumbered assets of at least 150% of the aggregate outstanding principal amount of all outstanding unsecured debt.

Operating Covenants

Existence. Except as described above under Merger, Consolidation or Sale, the Operating Partnership must preserve and keep in full force and effect its existence, rights and franchises. However, the Operating Partnership need not preserve any right or franchise if we determine that its preservation is no longer desirable in the conduct of our business and that its loss is not materially disadvantageous to the holders of the debt securities.

Maintenance of Properties. The Operating Partnership must maintain all of its material properties in good condition, repair and working order, supply all properties with all necessary equipment and make all necessary repairs, renewals, replacements and improvements so that we may properly and advantageously conduct our business at all times. However, the Operating Partnership may sell its properties for value in the ordinary course of business.

Insurance. The Operating Partnership must keep all of its insurable properties fully insured against loss or damage with financially sound and reputable insurance companies.

Payment of Taxes and Other Claims. The Operating Partnership must pay, before they become delinquent:

all taxes, assessments and governmental charges; and

all lawful claims for labor, materials and supplies that, if unpaid, might by law become a lien upon any property.

However, the Operating Partnership is not required to pay any tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Provision of Financial Information. The Operating Partnership will provide the trustee and the holders of debt securities with copies of its annual reports and quarterly reports. The Operating Partnership will continue to file timely all annual, quarterly and other periodic reports with the SEC regardless of whether or not the securities laws require the Operating Partnership to do so.

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Events of Default, Notice and Waiver

The following are events of default with respect to any series of debt securities issued under the indenture:

default for 30 days in the payment of any installment of interest on any debt security of the series;

default in the payment of the principal or any premium on any debt security of the series at its maturity;

default in making any sinking fund payment as required for any debt security of the series;

default in the payment of an aggregate principal amount exceeding \$5,000,000 of any recourse debt or any secured debt, if the default continued beyond the expiration of any applicable grace period and resulted in the acceleration of the maturity of the debt, but only if such debt is not discharged or such acceleration is not rescinded or annulled;

bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of the Operating Partnership or any significant subsidiary or any of their respective property;

default in the performance of any other covenant contained in the indenture, other than covenants that do not apply to the series, and the default continues for 60 days after notice; and

any other event of default provided with respect to that particular series of debt securities.

If an event of default occurs and continues, the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount of all of the debt securities of that series to be due and payable immediately. If the debt securities of that series are original issue discount securities or indexed securities, the prospectus supplement will describe the portion of the principal amount required to make the declaration. If this happens and the Operating Partnership thereafter cures the default, the holders of at least a majority in principal amount of outstanding debt securities of that series can void the acceleration.

The indenture also provides that the holders of at least a majority in principal amount of the outstanding debt securities of a series may waive any past default with respect to that series, except a default in payment or a default of a covenant or other indenture provision that can only be modified with the consent of the holder of each outstanding debt security affected.

The indenture provides that no holders of any series may institute any judicial or other proceedings with respect to the indenture or for any remedy under the indenture, except in the case of failure of the trustee to act for 60 days after it has received a written request to institute proceedings for an event of default from the holders of at least 25% in principal amount of the outstanding debt securities of that series and an offer of indemnity reasonably satisfactory to it. However, this provision will not prevent any holder from instituting suit for the enforcement of any payment due on the debt securities.

Subject to provisions in the indenture relating to its duties in case of default, the trustee is under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any holders, unless the holders offer to the trustee reasonable security or indemnity. The holders of at least a majority in principal amount of the outstanding debt securities of a series (or of all debt securities then outstanding under the indenture, if applicable) have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee. However, the trustee may refuse to follow any direction that:

is in conflict with any law or the indenture;

may subject the trustee to personal liability; or

may be unduly prejudicial to the holders not joining in the direction.

The Operating Partnership must file annually with the trustee an officers certificate certifying that no defaults have occurred under the indenture. The trustee must give notice to the holders of debt securities within

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90 days of a default unless the default has been cured or waived. However, if the trustee considers it to be in the interest of the holders, the trustee may withhold notice of any default except a payment default.

Modification of the Indenture

At least a majority in principal amount of all outstanding debt securities or series of outstanding debt securities affected by a modification or amendment of the indenture is required to modify or amend the indenture. However, holders of each of the debt securities affected by the modification must consent to modifications that have the following effects:

change the stated maturity of the principal, interest or premium on any debt security;

reduce the principal amount of, or the rate or amount of interest on, or any premium payable on redemption of, any debt security, or adversely affect any right of repayment of the holder of any debt security;

change the place or currency for payment of principal, interest or premium on any debt security;

impair the right to institute suit for the enforcement of any payment on any debt security;

reduce the percentage of outstanding debt securities of a series necessary to modify or amend the indenture, waive compliance with provisions of the indenture or defaults and consequences under the indenture or reduce the quorum or voting requirements set forth in the indenture; or