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

(Mark One)

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

For the quarterly period ended June 30, 2021

OR

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

For the transition period from to

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

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

Indiana (Duke Realty Corporation)	**35-1740409 (Duke Realty Corporation)**
Indiana (Duke Realty Limited Partnership)	**35-1898425 (Duke Realty Limited Partnership)**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
8711 River Crossing Boulevard	
Indianapolis, Indiana	**46240**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code:

(317) 808-6000

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

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

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

Duke Realty Corporation:

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

Duke Realty Limited Partnership:

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

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

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

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

The number of shares of Duke Realty Corporation's common stock outstanding at July 28, 2021 was 378,340,411.

EXPLANATORY NOTE

This report (the "Report") combines the quarterly reports on Form 10-Q for the period ended June 30, 2021 of both Duke Realty Corporation and Duke Realty Limited Partnership. Unless stated otherwise or the context otherwise requires, references to "Duke Realty Corporation" or the "General Partner" mean Duke Realty Corporation and its consolidated subsidiaries, and references to the "Partnership" mean Duke Realty Limited Partnership and its consolidated subsidiaries. The terms the "Company," "we," "us" and "our" refer to the General Partner and the Partnership, collectively, and those entities owned or controlled by the General Partner and/or the Partnership.

Duke Realty Corporation is a self-administered and self-managed real estate investment trust ("REIT") and is the sole general partner of the Partnership, owning approximately 99.0% of the common partnership interests of the Partnership ("General Partner Units") as of June 30, 2021. The remaining 1.0% of the common partnership interests ("Limited Partner Units" and, together with the General Partner Units, the "Common Units") are owned by limited partners. As the sole general partner of the Partnership, the General Partner has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Partnership.

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

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

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

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

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

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

DUKE REALTY CORPORATION/DUKE REALTY LIMITED PARTNERSHIP

INDEX

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements
DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(in thousands, except per share amounts)

	June 30, 2021 (Unaudited)	December 31, 2020
ASSETS		
Real estate investments:		
Real estate assets	$ 8,693,665	$ 8,745,155
Construction in progress	913,241	695,219
Investments in and advances to unconsolidated joint ventures	122,875	131,898
Undeveloped land	335,222	291,614
	10,065,003	9,863,886
Accumulated depreciation	(1,612,490)	(1,659,308)
Net real estate investments	8,452,513	8,204,578
Real estate investments and other assets held-for-sale	435,606	67,946
Cash and cash equivalents	8,252	6,309
Accounts receivable	12,103	15,204
Straight-line rent receivable	155,124	153,943
Receivables on construction contracts, including retentions	59,285	30,583
Deferred leasing and other costs, net of accumulated amortization of $201,451 and $204,122	330,083	329,765
Restricted cash held in escrow for like-kind exchange	2,802	47,682
Other escrow deposits and other assets	388,392	255,384
	$ 9,844,160	$ 9,111,394
LIABILITIES AND EQUITY		
Indebtedness:		
Secured debt, net of deferred financing costs of $323 and $343	$ 61,926	$ 64,074
Unsecured debt, net of deferred financing costs of $37,774 and $32,763	3,387,226	3,025,977
Unsecured line of credit	265,000	295,000
	3,714,152	3,385,051
Liabilities related to real estate investments held-for-sale	23,939	7,740
Construction payables and amounts due subcontractors, including retentions	128,406	62,332
Accrued real estate taxes	80,634	76,501
Accrued interest	20,726	18,363
Other liabilities	302,100	269,806
Tenant security deposits and prepaid rents	59,294	57,153
Total liabilities	4,329,251	3,876,946
Shareholders' equity:		
Common shares ($0.01 par value); 600,000 shares authorized; 378,021 and 373,258 shares issued and outstanding, respectively	3,780	3,733
Additional paid-in capital	5,920,931	5,723,326
Accumulated other comprehensive loss	(29,789)	(31,568)
Distributions in excess of net income	(469,076)	(532,519)
Total shareholders' equity	5,425,846	5,162,972
Noncontrolling interests	89,063	71,476
Total equity	5,514,909	5,234,448
	$ 9,844,160	$ 9,111,394

See accompanying Notes to Consolidated Financial Statements

DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income
For the three and six months ended June 30,
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	2021	2020	**2021**	2020
Revenues:				
Rental and related revenue	**$ 253,971**	$ 226,374	**$ 512,150**	$ 445,129
General contractor and service fee revenue	**17,721**	12,137	**48,834**	19,751
	271,692	238,511	**560,984**	464,880
Expenses:				
Rental expenses	**18,515**	17,557	**46,645**	36,400
Real estate taxes	**41,368**	36,763	**82,538**	73,490
General contractor and other services expenses	**14,066**	10,406	**43,529**	16,974
Depreciation and amortization	**91,729**	86,704	**185,302**	172,063
	165,678	151,430	**358,014**	298,927
Other operating activities:				
Equity in earnings of unconsolidated joint ventures	**10,590**	2,396	**26,858**	4,935
Gain on sale of properties	**95,183**	—	**116,543**	8,937
Gain on land sales	**9,900**	6,070	**11,138**	6,205
Other operating expenses	**(338)**	(1,546)	**(1,483)**	(2,658)
Impairment charges	**—**	—	**—**	(5,626)
Non-incremental costs related to successful leases	**(4,027)**	(4,034)	**(6,985)**	(6,559)
General and administrative expenses	**(15,879)**	(13,606)	**(40,096)**	(35,369)
	95,429	(10,720)	**105,975**	(30,135)
Operating income	**201,443**	76,361	**308,945**	135,818
Other income (expenses):				
Interest and other income, net	**1,673**	216	**2,136**	1,611
Interest expense	**(21,072)**	(22,841)	**(43,579)**	(46,335)
Loss on debt extinguishment	**(3,938)**	(14,972)	**(4,008)**	(32,778)
Gain on involuntary conversion	**3,222**	1,283	**3,222**	1,283
Income from continuing operations before income taxes	**181,328**	40,047	**266,716**	59,599
Income tax (expense) benefit	**(3,672)**	150	**(8,856)**	210
Income from continuing operations	**177,656**	40,197	**257,860**	59,809
Discontinued operations:				
Gain on sale of properties	**—**	23	**—**	71
Income from discontinued operations	**—**	23	**—**	71
Net income	**177,656**	40,220	**257,860**	59,880
Net income attributable to noncontrolling interests	**(1,839)**	(400)	**(2,681)**	(604)
Net income attributable to common shareholders	**$ 175,817**	$ 39,820	**$ 255,179**	$ 59,276
Basic net income per common share:				
Continuing operations attributable to common shareholders	**$ 0.47**	$ 0.11	**$ 0.68**	$ 0.16
Diluted net income per common share:				
Continuing operations attributable to common shareholders	**$ 0.47**	$ 0.11	**$ 0.68**	$ 0.16
Weighted average number of common shares outstanding	**376,020**	368,836	**374,850**	368,513
Weighted average number of common shares and potential dilutive securities	**381,621**	372,573	**380,334**	372,197
Comprehensive income:				
Net income	**$ 177,656**	$ 40,220	**$ 257,860**	$ 59,880
Other comprehensive income:				
Amortization of interest rate swap contracts	**890**	889	**1,779**	1,690
Comprehensive income	**$ 178,546**	$ 41,109	**$ 259,639**	$ 61,570

See accompanying Notes to Consolidated Financial Statements

DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30,
(in thousands)
(Unaudited)

	Six Months Ended	
	2021	2020
Cash flows from operating activities:		
Net income	**$ 257,860**	$ 59,880
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of buildings and tenant improvements	**156,470**	143,922
Amortization of deferred leasing and other costs	**28,832**	28,141
Amortization of deferred financing costs	**4,888**	4,477
Straight-line rental income and expense, net	**(14,497)**	(8,476)
Impairment charges	**—**	5,626
Loss on debt extinguishment	**4,008**	32,778
Gain on involuntary conversion	**(3,222)**	(1,283)
Gain on land and property sales	**(127,681)**	(15,213)
Third-party construction contracts, net	**(1,588)**	(3,717)
Other accrued revenues and expenses, net	**23,993**	11,460
Equity in earnings (in excess of) less than operating distributions received from unconsolidated joint ventures	**(17,113)**	3,563
Net cash provided by operating activities	**311,950**	261,158
Cash flows from investing activities:		
Development of real estate investments	**(332,091)**	(333,212)
Acquisition of buildings and related intangible assets	**(218,788)**	—
Acquisition of land and other real estate assets	**(223,280)**	(95,859)
Second generation tenant improvements, leasing costs and building improvements	**(33,747)**	(17,666)
Other deferred leasing costs	**(16,448)**	(16,702)
Other assets	**(48,736)**	(10,289)
Proceeds from the repayments of notes receivable from property sales	**—**	110,000
Proceeds from land and property sales, net	**265,973**	34,509
Capital distributions from unconsolidated joint ventures	**20,503**	13
Capital contributions and advances to unconsolidated joint ventures	**(8,986)**	(4,833)
Net cash used for investing activities	**(595,600)**	(334,039)
Cash flows from financing activities:		
Proceeds from issuance of common shares, net	**187,217**	76,678
Proceeds from unsecured debt	**446,634**	663,123
Payments on unsecured debt	**(127,758)**	(546,972)
Proceeds from secured debt financings	**—**	18,400
Payments on secured indebtedness including principal amortization	**(2,028)**	(1,906)
Repayments on line of credit, net	**(30,000)**	—
Distributions to common shareholders	**(191,082)**	(173,131)
Distributions to noncontrolling interests	**(2,116)**	(1,566)
Tax payments on stock-based compensation awards	**(4,757)**	(4,051)
Change in book cash overdrafts	**3,758**	(14,444)
Other financing activities	**(270)**	289
Deferred financing costs	**(9,961)**	(6,374)
Redemption of Limited Partner Units	**(37)**	—
Net cash provided by financing activities	**269,600**	10,046
Net decrease in cash, cash equivalents and restricted cash	**(14,050)**	(62,835)
Cash, cash equivalents and restricted cash at beginning of period	**67,223**	121,431
Cash, cash equivalents and restricted cash at end of period	**$ 53,173**	$ 58,596
Non-cash activities:		
Lease liabilities arising from right-of-use assets	**$ 18,257**	$ 1,443
Assumption of indebtedness and other liabilities in real estate acquisitions	**$ 84,354**	$ —
Non-cash distribution of assets from unconsolidated joint ventures, net	**$ 11,124**	$ —
Issuance of Limited Partner Units for acquisition	**$ 11,576**	$ —

See accompanying Notes to Consolidated Financial Statements

DUKE REALTY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three and six months ended June 30, 2021 and 2020
(in thousands, except per share data)
(Unaudited)

	Common Shareholders					
	Common Stock	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Loss**	**Distributions in Excess of Net Income**	**Noncontrolling Interests**	**Total**
Balance at March 31, 2021	**$ 3,743**	**$ 5,756,738**	**$ (30,679)**	**$ (548,843)**	**$ 78,182**	**$ 5,259,141**
Net income	—	—	—	175,817	1,839	177,656
Other comprehensive income	—	—	890	—	—	890
Issuance of common shares	34	156,802	—	—	—	156,836
Stock-based compensation plan activity	—	2,687	—	(278)	3,234	5,643
Issuance of Limited Partner Units	—	—	—	—	11,576	11,576
Conversion of Limited Partner Units	3	4,744	—	—	(4,747)	—
Redemption of Limited Partner Units	—	(40)	—	—	3	(37)
Distributions to common shareholders ($0.255 per share)	—	—	—	(95,772)	—	(95,772)
Distributions to noncontrolling interests	—	—	—	—	(1,024)	(1,024)
Balance at June 30, 2021	**$ 3,780**	**$ 5,920,931**	**$ (29,789)**	**$ (469,076)**	**$ 89,063**	**$ 5,514,909**
Balance at December 31, 2020	**$ 3,733**	**$ 5,723,326**	**$ (31,568)**	**$ (532,519)**	**$ 71,476**	**$ 5,234,448**
Net income	—	—	—	255,179	2,681	257,860
Other comprehensive income	—	—	1,779	—	—	1,779
Issuance of common shares	41	187,176	—	—	—	187,217
Stock-based compensation plan activity	3	5,426	—	(654)	10,489	15,264
Issuance of Limited Partner Units	—	—	—	—	11,576	11,576
Conversion of Limited Partner Units	3	5,043	—	—	(5,046)	—
Redemption of Limited Partner Units	—	(40)	—	—	3	(37)
Distributions to common shareholders ($0.51 per share)	—	—	—	(191,082)	—	(191,082)
Distributions to noncontrolling interests	—	—	—	—	(2,116)	(2,116)
Balance at June 30, 2021	**$ 3,780**	**$ 5,920,931**	**$ (29,789)**	**$ (469,076)**	**$ 89,063**	**$ 5,514,909**

	Common Shareholders					
	Common Stock	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Loss**	**Distributions in Excess of Net Income**	**Noncontrolling Interests**	**Total**
Balance at March 31, 2020	**$ 3,684**	**$ 5,533,806**	**$ (34,235)**	**$ (543,412)**	**$ 67,219**	**$ 5,027,062**
Net income	—	—	—	39,820	400	40,220
Other comprehensive income	—	—	889	—	—	889
Issuance of common shares	20	71,193	—	—	—	71,213
Stock-based compensation plan activity	—	2,898	—	(274)	2,760	5,384
Distributions to common shareholders ($0.235 per share)	—	—	—	(86,569)	—	(86,569)
Distributions to noncontrolling interests	—	—	—	—	(783)	(783)
Balance at June 30, 2020	**$ 3,704**	**$ 5,607,897**	**$ (33,346)**	**$ (590,435)**	**$ 69,596**	**$ 5,057,416**
Balance at December 31, 2019	**$ 3,680**	**$ 5,525,463**	**$ (35,036)**	**$ (475,992)**	**$ 62,145**	**$ 5,080,260**
Net income	—	—	—	59,276	604	59,880
Other comprehensive income	—	—	1,690	—	—	1,690
Issuance of common shares	21	76,657	—	—	—	76,678
Stock-based compensation plan activity	3	5,777	—	(588)	8,413	13,605
Distributions to common shareholders ($0.47 per share)	—	—	—	(173,131)	—	(173,131)
Distributions to noncontrolling interests	—	—	—	—	(1,566)	(1,566)
Balance at June 30, 2020	**$ 3,704**	**$ 5,607,897**	**$ (33,346)**	**$ (590,435)**	**$ 69,596**	**$ 5,057,416**

See accompanying Notes to Consolidated Financial Statements

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Balance Sheets
(in thousands)

	June 30, 2021 (Unaudited)	December 31, 2020
ASSETS		
Real estate investments:		
Real estate assets	**$ 8,693,665**	$ 8,745,155
Construction in progress	**913,241**	695,219
Investments in and advances to unconsolidated joint ventures	**122,875**	131,898
Undeveloped land	**335,222**	291,614
	10,065,003	9,863,886
Accumulated depreciation	**(1,612,490)**	(1,659,308)
Net real estate investments	**8,452,513**	8,204,578
Real estate investments and other assets held-for-sale	**435,606**	67,946
Cash and cash equivalents	**8,252**	6,309
Accounts receivable	**12,103**	15,204
Straight-line rent receivable	**155,124**	153,943
Receivables on construction contracts, including retentions	**59,285**	30,583
Deferred leasing and other costs, net of accumulated amortization of $201,451 and $204,122	**330,083**	329,765
Restricted cash held in escrow for like-kind exchange	**2,802**	47,682
Other escrow deposits and other assets	**388,392**	255,384
	$ 9,844,160	$ 9,111,394
LIABILITIES AND EQUITY		
Indebtedness:		
Secured debt, net of deferred financing costs of $323 and $343	**$ 61,926**	$ 64,074
Unsecured debt, net of deferred financing costs of $37,774 and $32,763	**3,387,226**	3,025,977
Unsecured line of credit	**265,000**	295,000
	3,714,152	3,385,051
Liabilities related to real estate investments held-for-sale	**23,939**	7,740
Construction payables and amounts due subcontractors, including retentions	**128,406**	62,332
Accrued real estate taxes	**80,634**	76,501
Accrued interest	**20,726**	18,363
Other liabilities	**302,100**	269,806
Tenant security deposits and prepaid rents	**59,294**	57,153
Total liabilities	**4,329,251**	3,876,946
Partners' equity:		
Common equity (378,021 and 373,258 General Partner Units issued and outstanding, respectively)	**5,455,635**	5,194,540
Limited Partners' common equity (3,762 and 3,326 Limited Partner Units issued and outstanding, respectively)	**84,494**	66,874
Accumulated other comprehensive loss	**(29,789)**	(31,568)
Total partners' equity	**5,510,340**	5,229,846
Noncontrolling interests	**4,569**	4,602
Total equity	**5,514,909**	5,234,448
	$ 9,844,160	$ 9,111,394

See accompanying Notes to Consolidated Financial Statements

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income
For the three and six months ended June 30,
(in thousands, except per unit amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	2021	2020	**2021**	2020
Revenues:				
Rental and related revenue	**$ 253,971**	$ 226,374	**$ 512,150**	$ 445,129
General contractor and service fee revenue	**17,721**	12,137	**48,834**	19,751
	271,692	238,511	**560,984**	464,880
Expenses:				
Rental expenses	**18,515**	17,557	**46,645**	36,400
Real estate taxes	**41,368**	36,763	**82,538**	73,490
General contractor and other services expenses	**14,066**	10,406	**43,529**	16,974
Depreciation and amortization	**91,729**	86,704	**185,302**	172,063
	165,678	151,430	**358,014**	298,927
Other operating activities:				
Equity in earnings of unconsolidated joint ventures	**10,590**	2,396	**26,858**	4,935
Gain on sale of properties	**95,183**	—	**116,543**	8,937
Gain on land sales	**9,900**	6,070	**11,138**	6,205
Other operating expenses	**(338)**	(1,546)	**(1,483)**	(2,658)
Impairment charges	**—**	—	**—**	(5,626)
Non-incremental costs related to successful leases	**(4,027)**	(4,034)	**(6,985)**	(6,559)
General and administrative expenses	**(15,879)**	(13,606)	**(40,096)**	(35,369)
	95,429	(10,720)	**105,975**	(30,135)
Operating income	**201,443**	76,361	**308,945**	135,818
Other income (expenses):				
Interest and other income, net	**1,673**	216	**2,136**	1,611
Interest expense	**(21,072)**	(22,841)	**(43,579)**	(46,335)
Loss on debt extinguishment	**(3,938)**	(14,972)	**(4,008)**	(32,778)
Gain on involuntary conversion	**3,222**	1,283	**3,222**	1,283
Income from continuing operations before income taxes	**181,328**	40,047	**266,716**	59,599
Income tax (expense) benefit	**(3,672)**	150	**(8,856)**	210
Income from continuing operations	**177,656**	40,197	**257,860**	59,809
Discontinued operations:				
Gain on sale of properties	**—**	23	**—**	71
Income from discontinued operations	**—**	23	**—**	71
Net income	**177,656**	40,220	**257,860**	59,880
Net income attributable to noncontrolling interests	**(101)**	(44)	**(182)**	(78)
Net income attributable to common unitholders	**$ 177,555**	$ 40,176	**$ 257,678**	$ 59,802
Basic net income per Common Unit:				
Continuing operations attributable to common unitholders	**$ 0.47**	$ 0.11	**$ 0.68**	$ 0.16
Diluted net income per Common Unit:				
Continuing operations attributable to common unitholders	**$ 0.47**	$ 0.11	**$ 0.68**	$ 0.16
Weighted average number of Common Units outstanding	**379,790**	372,167	**378,523**	371,790
Weighted average number of Common Units and potential dilutive securities	**381,621**	372,573	**380,334**	372,197
Comprehensive income:				
Net income	**$ 177,656**	$ 40,220	**$ 257,860**	$ 59,880
Other comprehensive income:				
Amortization of interest rate swap contracts	**890**	889	**1,779**	1,690
Comprehensive income	**$ 178,546**	$ 41,109	**$ 259,639**	$ 61,570

See accompanying Notes to Consolidated Financial Statements

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30,
(in thousands)
(Unaudited)

	Six Months Ended	
	2021	2020
Cash flows from operating activities:		
Net income	**$ 257,860**	$ 59,880
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of buildings and tenant improvements	**156,470**	143,922
Amortization of deferred leasing and other costs	**28,832**	28,141
Amortization of deferred financing costs	**4,888**	4,477
Straight-line rental income and expense, net	**(14,497)**	(8,476)
Impairment charges	**—**	5,626
Loss on debt extinguishment	**4,008**	32,778
Gain on involuntary conversion	**(3,222)**	(1,283)
Gain on land and property sales	**(127,681)**	(15,213)
Third-party construction contracts, net	**(1,588)**	(3,717)
Other accrued revenues and expenses, net	**23,993**	11,460
Equity in earnings (in excess of) less than operating distributions received from unconsolidated joint ventures	**(17,113)**	3,563
Net cash provided by operating activities	**311,950**	261,158
Cash flows from investing activities:		
Development of real estate investments	**(332,091)**	(333,212)
Acquisition of buildings and related intangible assets	**(218,788)**	—
Acquisition of land and other real estate assets	**(223,280)**	(95,859)
Second generation tenant improvements, leasing costs and building improvements	**(33,747)**	(17,666)
Other deferred leasing costs	**(16,448)**	(16,702)
Other assets	**(48,736)**	(10,289)
Proceeds from the repayments of notes receivable from property sales	**—**	110,000
Proceeds from land and property sales, net	**265,973**	34,509
Capital distributions from unconsolidated joint ventures	**20,503**	13
Capital contributions and advances to unconsolidated joint ventures	**(8,986)**	(4,833)
Net cash used for investing activities	**(595,600)**	(334,039)
Cash flows from financing activities:		
Proceeds from the General Partner	**187,217**	76,678
Proceeds from unsecured debt	**446,634**	663,123
Payments on unsecured debt	**(127,758)**	(546,972)
Proceeds from secured debt financings	**—**	18,400
Payments on secured indebtedness including principal amortization	**(2,028)**	(1,906)
Repayments on line of credit, net	**(30,000)**	—
Distributions to common unitholders	**(192,983)**	(174,697)
Distributions to noncontrolling interests	**(215)**	—
Tax payments on stock-based compensation awards	**(4,757)**	(4,051)
Change in book cash overdrafts	**3,758**	(14,444)
Other financing activities	**(270)**	289
Deferred financing costs	**(9,961)**	(6,374)
Redemption of Limited Partner Units	**(37)**	—
Net cash provided by financing activities	**269,600**	10,046
Net decrease in cash, cash equivalents and restricted cash	**(14,050)**	(62,835)
Cash, cash equivalents and restricted cash at beginning of period	**67,223**	121,431
Cash, cash equivalents and restricted cash at end of period	**$ 53,173**	$ 58,596
Non-cash activities:		
Lease liabilities arising from right-of-use assets	**$ 18,257**	$ 1,443
Assumption of indebtedness and other liabilities in real estate acquisitions	**$ 84,354**	$ —
Non-cash distribution of assets from unconsolidated joint ventures, net	**$ 11,124**	$ —
Issuance of Limited Partner Units for acquisition	**$ 11,576**	$ —

See accompanying Notes to Consolidated Financial Statements

DUKE REALTY LIMITED PARTNERSHIP AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three and six months ended June 30, 2021 and 2020
(in thousands, except per unit data)
(Unaudited)

	Common Unitholders					
	General Partner's Common Equity	Limited Partners' Common Equity	Accumulated Other Comprehensive Loss	Total Partners' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2021	**$ 5,211,638**	**$ 73,649**	**$ (30,679)**	**$ 5,254,608**	**$ 4,533**	**$ 5,259,141**
Net income	175,817	1,738	—	177,555	101	177,656
Other comprehensive income	—	—	890	890	—	890
Capital contribution from the General Partner	156,836	—	—	156,836	—	156,836
Stock-based compensation plan activity	2,409	3,234	—	5,643	—	5,643
Issuance of Limited Partner Units	—	11,576	—	11,576	—	11,576
Conversion of Limited Partner Units	4,747	(4,747)	—	—	—	—
Redemption of Limited Partner Units	(40)	3	—	(37)	—	(37)
Distributions to common unitholders ($0.255 per Common Unit)	(95,772)	(959)	—	(96,731)	—	(96,731)
Distributions to noncontrolling interests	—	—	—	—	(65)	(65)
Balance at June 30, 2021	**$ 5,455,635**	**$ 84,494**	**$ (29,789)**	**$ 5,510,340**	**$ 4,569**	**$ 5,514,909**
Balance at December 31, 2020	**$ 5,194,540**	**$ 66,874**	**$ (31,568)**	**$ 5,229,846**	**$ 4,602**	**$ 5,234,448**
Net income	255,179	2,499	—	257,678	182	257,860
Other comprehensive income	—	—	1,779	1,779	—	1,779
Capital contribution from the General Partner	187,217	—	—	187,217	—	187,217
Stock-based compensation plan activity	4,775	10,489	—	15,264	—	15,264
Issuance of Limited Partner Units	—	11,576	—	11,576	—	11,576
Conversion of Limited Partner Units	5,046	(5,046)	—	—	—	—
Redemption of Limited Partner Units	(40)	3	—	(37)	—	(37)
Distributions to common unitholders ($0.51 per Common Unit)	(191,082)	(1,901)	—	(192,983)	—	(192,983)
Distributions to noncontrolling interests	—	—	—	—	(215)	(215)
Balance at June 30, 2021	**$ 5,455,635**	**$ 84,494**	**$ (29,789)**	**$ 5,510,340**	**$ 4,569**	**$ 5,514,909**

	Common Unitholders					
	General Partner's Common Equity	Limited Partners' Common Equity	Accumulated Other Comprehensive Loss	Total Partners' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2020	**$ 4,994,078**	**$ 62,615**	**$ (34,235)**	**$ 5,022,458**	**$ 4,604**	**$ 5,027,062**
Net income	39,820	356	—	40,176	44	40,220
Other comprehensive income	—	—	889	889	—	889
Capital contribution from the General Partner	71,213	—	—	71,213	—	71,213
Stock-based compensation plan activity	2,624	2,760	—	5,384	—	5,384
Distributions to common unitholders ($0.235 per Common Unit)	(86,569)	(783)	—	(87,352)	—	(87,352)
Balance at June 30, 2020	**$ 5,021,166**	**$ 64,948**	**$ (33,346)**	**$ 5,052,768**	**$ 4,648**	**$ 5,057,416**
Balance at December 31, 2019	**$ 5,053,151**	**$ 57,575**	**$ (35,036)**	**$ 5,075,690**	**$ 4,570**	**$ 5,080,260**
Net income	59,276	526	—	59,802	78	59,880
Other comprehensive income	—	—	1,690	1,690	—	1,690
Capital contribution from the General Partner	76,678		—	76,678	—	76,678
Stock-based compensation plan activity	5,192	8,413	—	13,605	—	13,605
Distributions to common unitholders ($0.47 per Common Unit)	(173,131)	(1,566)	—	(174,697)	—	(174,697)
Balance at June 30, 2020	**$ 5,021,166**	**$ 64,948**	**$ (33,346)**	**$ 5,052,768**	**$ 4,648**	**$ 5,057,416**

See accompanying Notes to Consolidated Financial Statements

1. General Basis of Presentation

The interim consolidated financial statements included herein have been prepared by the General Partner and the Partnership. The 2020 year-end consolidated balance sheet data included in this Report was derived from the audited financial statements in the combined Annual Report on Form 10-K of the General Partner and the Partnership for the year ended December 31, 2020 (the "2020 Annual Report"), but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP"). The financial statements have been prepared in accordance with GAAP for interim financial information and in accordance with Rule 10-01 of Regulation S-X of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses during the reporting period. Our actual results could differ from those estimates and assumptions. These financial statements should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations included herein and the consolidated financial statements and notes thereto included in the 2020 Annual Report.

The General Partner was formed in 1985, and we believe that it qualifies as a REIT under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"). The Partnership was formed on October 4, 1993, when the General Partner contributed all of its properties and related assets and liabilities, together with the net proceeds from an offering of additional shares of its common stock, to the Partnership. Simultaneously, the Partnership completed the acquisition of Duke Associates, a full-service commercial real estate firm operating in the Midwest whose operations began in 1972.

The General Partner is the sole general partner of the Partnership, owning approximately 99.0% of the Common Units at June 30, 2021. The remaining 1.0% of the Common Units are owned by limited partners. As the sole general partner of the Partnership, the General Partner has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Partnership. The General Partner and the Partnership are operated as one enterprise. The management of the General Partner consists of the same members as the management of the Partnership. As the sole general partner with control of the Partnership, the General Partner consolidates the Partnership for financial reporting purposes, and the General Partner does not have any significant assets other than its investment in the Partnership. Therefore, the assets and liabilities of the General Partner and the Partnership are substantially the same.

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

As of June 30, 2021, we owned and operated a portfolio primarily consisting of industrial properties and provided real estate services to third-party owners, customers and joint ventures. Substantially all of our Rental Operations (see Note 10) are conducted through the Partnership. We conduct our Service Operations (see Note 10) through Duke Realty Services, LLC, Duke Realty Services Limited Partnership and Duke Construction Limited Partnership ("DCLP"), which are consolidated entities that are 100% owned by a combination of the General Partner and the Partnership. DCLP is owned through a taxable REIT subsidiary. The consolidated financial statements include our accounts and the accounts of our majority-owned or controlled subsidiaries.

2. Leases

Lease Income

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

If we conclude that collection of lease payments is not probable, any difference between the revenue that would have been recognized under the straight-line method and the lease payments that have been collected is recognized as a current period adjustment to rental revenues. Any other changes in collectability reserves for leases not subject to the collectability constraint are also recorded as a current period adjustment to rental revenues.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
Rental revenue - fixed payments	**$ 189,173**	$ 169,617	**$ 376,560**	$ 331,224
Rental revenue - variable payments (1)	**64,798**	56,757	**135,590**	113,905
Rental and related revenue	**$ 253,971**	$ 226,374	**$ 512,150**	$ 445,129

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

Lessee Accounting

As of June 30, 2021, our lease arrangements, where we are the lessee, primarily consisted of office and ground leases. For these lease arrangements, as required by Accounting Standards Codification Topic 842, *Leases* ("ASC 842"), we recognized right-of-use ("ROU") assets and the corresponding lease liabilities representing the discounted value of future lease payments. In determining these amounts, we elected an available practical expedient that allows us, as a lessee, to not separate lease and non-lease components.

All of our office leases are classified as operating leases under ASC 842. Ground leases that were classified as operating leases prior to adoption of ASC 842 continue to be accounted for as operating leases by electing the practical expedient under ASC 842. Two ground leases that were entered into subsequent to the adoption of ASC 842 are classified as finance leases. For the operating leases, we recognized ROU assets and related lease liabilities as follows (in thousands):

	June 30, 2021	December 31, 2020
ROU assets	**$ 37,216**	$ 38,867
Lease liabilities	**41,472**	42,874

For the finance leases, we recognized ROU assets and related lease liabilities as follows (in thousands):

	June 30, 2021	December 31, 2020
ROU assets	**$ 37,889**	$ 19,239
Lease liabilities	**38,512**	19,430

ROU assets were included within Other Escrow Deposits and Other Assets and lease liabilities were included in Other Liabilities on our Consolidated Balance Sheets.

3. Reclassifications

Certain amounts in the accompanying consolidated financial statements for 2020 have been reclassified to conform to the 2021 consolidated financial statement presentation.

4. Restricted Cash

Restricted cash primarily consists of cash proceeds from dispositions but restricted only for qualifying like-kind exchange transactions and cash held in escrow related to acquisition and disposition holdbacks. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows (in thousands):

	June 30, 2021	December 31, 2020
Cash and cash equivalents	**$ 8,252**	$ 6,309
Restricted cash held in escrow for like-kind exchange	**2,802**	47,682
Restricted cash included in other escrow deposits and other assets	**42,119**	13,232
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	**$ 53,173**	$ 67,223

5. Variable Interest Entities

Partnership

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

The assets and liabilities of the General Partner and the Partnership are substantially the same, as the General Partner does not have any significant assets other than its investment in the Partnership. All of the Company's debt is an obligation of the Partnership.

Joint Ventures

We have equity interests in unconsolidated joint ventures that are primarily engaged in the operation and development of industrial real estate properties.

We consolidate those joint ventures that are considered to be VIEs where we are the primary beneficiary. We analyze our investments in joint ventures to determine if the joint venture is considered a VIE and would require consolidation. We (i) evaluate the sufficiency of the total equity investment at risk, (ii) review the voting rights and decision-making authority of the equity investment holders as a group and whether there are limited partners (or similar owning entities) that lack substantive participating or kick out rights and (iii) establish whether or not activities within the venture are on behalf of an investor with disproportionately few voting rights in making this VIE determination.

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

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

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

There were no unconsolidated joint ventures, in which we have any recognized assets or liabilities or have retained any economic exposure to loss at June 30, 2021, that met the criteria to be considered VIEs. In January 2021, we, and the other partner from two unconsolidated joint ventures, repaid $69.8 million of guaranteed loans. At June 30, 2021, we did not guarantee the indebtedness of any of our unconsolidated joint ventures.

6. Acquisitions and Dispositions

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

Acquisitions

We paid cash of $218.8 million for three building acquisitions in Southern California and Northern New Jersey and paid a combination of $64.0 million of cash and Limited Partner Units with a fair value of $11.6 million for a container storage lot in Northern New Jersey during the six months ended June 30, 2021. All of these properties were fully leased at the date of acquisition. We did not acquire any buildings during the six months ended June 30, 2020.

The following table summarizes amounts recognized for each major class of assets and liabilities (in thousands) for these acquisitions during the six months ended June 30, 2021:

Real estate assets	$	326,394
Lease related intangibles		11,796
Total acquired assets	$	338,190
Below market lease liabilities	$	43,102

The leases in the acquired properties had a weighted average remaining life at acquisition of approximately 11.0 years.

Distribution of Joint Venture Properties

As part of a plan of dissolution, we received a non-cash distribution of real estate assets from two 50%-owned unconsolidated joint ventures. These joint ventures distributed their ownership in two in-service properties and certain parcels of undeveloped land to our partner, who shares control with us over both joint ventures, while distributing their ownership interest in an in-service property, a property under construction and a parcel of undeveloped land to us. These distributions were based on values negotiated between us and our partner on an arms-length basis and we determined that these negotiated values represented the fair value of the assets at their highest and best use, as determined from the perspective of a market participant. Concurrent with these asset distributions, both we and our partner assumed and repaid all of the joint ventures' unsecured debt, with each party paying off an amount necessary for the value of the assets distributed, net of debt repayments, to be equal.

As the result of this dissolution transaction, we recognized a gain of $10.6 million (included in equity in earnings in the Consolidated Statements of Operations), which was related to the properties distributed to our partner. We did not recognize a gain to remeasure our existing ownership interest in the assets we received in distribution and we recognized such assets at a combined basis of $52.2 million in the Consolidated Balance Sheets. We assumed and immediately repaid unsecured debt of the joint ventures totaling $40.2 million.

Fair Value Measurements

We determine the fair value of the individual components of real estate asset acquisitions primarily through calculating the "as-if vacant" value of a building, using an income approach, which relies significantly upon internally determined assumptions. We have determined that these estimates primarily rely upon level 3 inputs, which are unobservable inputs based on our own assumptions. The most significant assumptions used in calculating the "as-if vacant" value for acquisition activity during the six months ended June 30, 2021 are as follows:

	Low	High
Exit capitalization rate	3.50 %	5.00 %
Annual net rental rate per square foot on acquired buildings	$ 6.62	$ 12.58
Annual net rental rate per acre on acquired ground lease	$ 182,136	$ 182,136

Capitalized acquisition costs were insignificant and the fair value of net assets acquired from unrelated parties during the six months ended June 30, 2021, was substantially the same as the cost of acquisition.

Dispositions

Dispositions of buildings and undeveloped land generated net cash proceeds of $266.0 million and $34.5 million during the six months ended June 30, 2021 and 2020, respectively. The number of buildings sold is disclosed in Note 11.

During the six months ended June 30, 2020, we collected the remaining $110.0 million of principal on our outstanding notes receivable, which was related to the sale of our medical office portfolio during 2017.

7. Indebtedness

All debt is issued directly or indirectly by the Partnership. The General Partner does not have any indebtedness, but does guarantee some of the unsecured debt of the Partnership. The following table summarizes the book value and changes in the fair value of our debt (in thousands):

	Book Value at 12/31/2020	Book Value at 6/30/2021	Fair Value at 12/31/2020	Issuances and Assumptions	Payments/Payoffs	Adjustments to Fair Value	Fair Value at 6/30/2021
Fixed rate secured debt	$ 62,817	$ 60,649	$ 65,848	$ —	$ (2,028)	$ (915)	$ 62,905
Variable rate secured debt	1,600	1,600	1,600	—	—	—	1,600
Unsecured debt	3,058,740	3,425,000	3,387,913	490,226	(123,966)	(147,038)	3,607,135
Unsecured line of credit	295,000	265,000	295,000	—	(30,000)	—	265,000
Total	$ 3,418,157	$ 3,752,249	$ 3,750,361	$ 490,226	$ (155,994)	$ (147,953)	$ 3,936,640
Less: Deferred financing costs	33,106	38,097					
Total indebtedness as reported on the consolidated balance sheets	$ 3,385,051	$ 3,714,152					

Secured Debt

Because our fixed rate secured debt is not actively traded in any marketplace, we utilized a discounted cash flow methodology to determine its fair value. Accordingly, we calculated fair value by applying an estimate of the current market rate to discount the debt's remaining contractual cash flows. Our estimate of a current market rate, which is the most significant input in the discounted cash flow calculation, is intended to replicate debt of similar maturity and loan-to-value relationship. The estimated market rates for all of our current fixed rate secured debt are between 2.00% and 2.80%, depending on the attributes of the specific loans. The current market rates we utilized were internally estimated; therefore, we have concluded that our determination of fair value for our fixed rate secured debt was primarily based upon level 3 inputs.

Unsecured Debt

At June 30, 2021, all of our unsecured debt bore interest at fixed rates and primarily consisted of unsecured notes that are publicly traded. We utilized broker estimates in estimating the fair value of our fixed rate unsecured debt. Our unsecured notes are thinly traded and, in certain cases, the broker estimates were not based upon comparable transactions. The broker estimates took into account any recent trades within the same series of our fixed rate unsecured debt, comparisons to recent trades of other series of our fixed rate unsecured debt, trades of fixed rate unsecured debt from companies with profiles similar to ours, as well as overall economic conditions. We reviewed these broker estimates for reasonableness and accuracy, considering whether the estimates were based upon market participant assumptions within the principal and most advantageous market and whether any other observable inputs would be more accurate indicators of fair value than the broker estimates. We concluded that the broker estimates were representative of fair value. We have determined that our estimation of the fair value of our fixed rate unsecured debt was primarily based upon level 3 inputs. The estimated trading values of our fixed rate unsecured debt, depending on the maturity and coupon rates, ranged from 96.00% to 129.00% of face value.

The indentures (and related supplemental indentures) governing our outstanding series of unsecured notes also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such financial covenants at June 30, 2021.

In June 2021, we redeemed $83.7 million of 3.88% senior unsecured notes due October 2022. In connection with the early repayment of these notes, we recognized a loss of $3.9 million including the prepayment premium and the write-off of unamortized deferred financing costs.

In January 2021, the Partnership issued $450.0 million of senior unsecured notes that bear a stated interest rate of 1.75%, have an effective interest rate of 1.83%, and mature on February 1, 2031. Proceeds from the unsecured notes offering will be allocated to finance or refinance eligible green projects.

In addition, in January 2021, the Partnership assumed and immediately repaid $40.2 million of unsecured debt related to the assets received as part of the dissolution of unconsolidated joint ventures (see Note 6).

Unsecured Line of Credit

Our unsecured line of credit at June 30, 2021 is described as follows (in thousands):

Description	Borrowing Capacity	Maturity Date	Outstanding Balance at June 30, 2021
Unsecured Line of Credit - Partnership	$ 1,200,000	March 31, 2025	$ 265,000

In March 2021, the Partnership amended and restated its existing $1.20 billion unsecured line of credit, which was set to mature in January 2022 with two six-month extension options. The amended and restated line of credit bears interest at LIBOR plus 0.775% (equal to 0.86% for our outstanding borrowings at June 30, 2021) with a reduction in borrowing costs if certain sustainability linked metrics are achieved each year. In addition, the amended and restated line of credit matures on March 31, 2025 with two six-month extension options. Subject to certain conditions, the terms also include an option to increase the facility by up to an additional $800.0 million, for a total of up to $2.00 billion. This line of credit provides us with an option to obtain borrowings from financial institutions that participate in the line at rates that may be lower than the stated interest rate, subject to certain restrictions. The line of credit also allows automatic transition to an alternative rate of interest in the event that the LIBOR ceases to publish and needs to be replaced. As a result of amending and restating the unsecured line of credit, we incurred $6.1 million of deferred financing costs through June 30, 2021.

This line of credit contains financial covenants that require us to meet certain financial ratios and defined levels of performance, including those related to fixed charge coverage, unsecured interest expense coverage and debt-to-asset value (with asset value being defined in the Partnership's unsecured line of credit agreement). At June 30, 2021, we were in compliance with all financial covenants under this line of credit.

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

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

General Partner

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

In February 2021, the General Partner terminated its previous equity distribution agreement for the ATM equity program and entered into a new equity distribution agreement pursuant to which the General Partner may sell from time to time up to an aggregate offering price of $400.0 million of its common stock through sales agents or forward sellers. The ability to enter into forward sale agreements through the new ATM equity program will enable the General Partner to set the price of such shares upon pricing the offering (subject to certain adjustments) while delaying the issuance of such shares and the receipt of the net proceeds by the General Partner.

During the six months ended June 30, 2021, the General Partner issued 4.1 million common shares pursuant to its ATM equity programs, generating gross proceeds of $188.1 million and, after deducting commissions and other costs, net proceeds of $185.8 million. The proceeds from these sales were contributed to the Partnership and used to fund development activities.

Partnership

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

9. Net Income per Common Share or Common Unit

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
General Partner				
Net income attributable to common shareholders	**$ 175,817**	$ 39,820	**$ 255,179**	$ 59,276
Less: dividends on participating securities	**(365)**	(356)	**(735)**	(712)
Basic net income attributable to common shareholders	**$ 175,452**	$ 39,464	**$ 254,444**	$ 58,564
Add back dividends on dilutive participating securities	**365**	—	**735**	—
Noncontrolling interest in earnings of common unitholders	**1,738**	356	**2,499**	526
Diluted net income attributable to common shareholders	**$ 177,555**	$ 39,820	**$ 257,678**	$ 59,090
Weighted average number of common shares outstanding	**376,020**	368,836	**374,850**	368,513
Weighted average Limited Partner Units outstanding	**3,770**	3,331	**3,673**	3,277
Other potential dilutive shares	**1,831**	406	**1,811**	407
Weighted average number of common shares and potential dilutive securities	**381,621**	372,573	**380,334**	372,197
Partnership				
Net income attributable to common unitholders	**$ 177,555**	$ 40,176	**$ 257,678**	$ 59,802
Less: distributions on participating securities	**(365)**	(356)	**(735)**	(712)
Basic net income attributable to common unitholders	**$ 177,190**	$ 39,820	**$ 256,943**	$ 59,090
Add back distributions on dilutive participating securities	**365**	—	**735**	—
Diluted net income attributable to common unitholders	**$ 177,555**	$ 39,820	**$ 257,678**	$ 59,090
Weighted average number of Common Units outstanding	**379,790**	372,167	**378,523**	371,790
Other potential dilutive units	**1,831**	406	**1,811**	407
Weighted average number of Common Units and potential dilutive securities	**381,621**	372,573	**380,334**	372,197

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
General Partner and Partnership				
Other potential dilutive shares or units:				
Anti-dilutive outstanding potential shares or units under fixed stock option and other stock-based compensation plans	**—**	—	**—**	—
Anti-dilutive outstanding participating securities	**—**	1,660	**—**	1,660

10. Segment Reporting

Reportable Segments

As of June 30, 2021, we had two reportable operating segments, the first consisting of the ownership and rental of industrial real estate investments. We continue to increase our investments in quality industrial properties largely based on anticipated geographic trends in supply and demand for industrial buildings, as well as the real estate needs of our major tenants that operate on a national level. We treat our industrial properties as a single operating and reportable segment based on our method of internal reporting. Properties not included in our reportable segments, because they are not industrial properties and do not by themselves meet the quantitative thresholds for separate presentation as a reportable segment, are generally referred to as non-reportable Rental Operations. Our non-reportable Rental Operations primarily include our remaining office properties and medical office property at June 30, 2021. The operations of our industrial properties, as well as our non-reportable Rental Operations, are collectively referred to as "Rental Operations."

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

Revenues by Reportable Segment

The following table shows the revenues for each of the reportable segments, as well as a reconciliation to consolidated revenues (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
Revenues				
Rental Operations:				
Industrial	**$ 252,511**	$ 224,472	**$ 509,181**	$ 441,424
Non-reportable Rental Operations	**1,279**	1,383	**2,788**	2,911
Service Operations	**17,721**	12,137	**48,834**	19,751
Total segment revenues	**271,511**	237,992	**560,803**	464,086
Other revenue	**181**	519	**181**	794
Consolidated revenue	**$ 271,692**	$ 238,511	**$ 560,984**	$ 464,880

Supplemental Performance Measure

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

We evaluate the performance of our Service Operations reportable segment using net income or loss, as allocated to that segment ("Earnings from Service Operations").

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

The following table shows a reconciliation of our segment-level measures of profitability to consolidated income from continuing operations before income taxes (in thousands and excluding discontinued operations):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
PNOI				
Industrial	**$ 183,296**	$ 157,246	**$ 358,044**	$ 309,524
Non-reportable Rental Operations	**1,230**	1,053	**2,503**	2,872
PNOI, excluding all sold properties	**184,526**	158,299	**360,547**	312,396
PNOI from sold properties included in continuing operations	**1,054**	3,717	**3,041**	7,892
PNOI, continuing operations	**$ 185,580**	$ 162,016	**$ 363,588**	$ 320,288
Earnings from Service Operations	**3,655**	1,731	**5,305**	2,777
Rental Operations revenues and expenses excluded from PNOI:				
Straight-line rental income and expense, net	**6,476**	6,774	**14,497**	8,476
Revenues related to lease buyouts	**—**	2,033	**310**	2,426
Amortization of lease concessions and above and below market rents	**2,609**	1,540	**5,441**	4,097
Intercompany rents and other adjusting items	**(698)**	(703)	**(1,116)**	(375)
Non-Segment Items:				
Equity in earnings of unconsolidated joint ventures	**10,590**	2,396	**26,858**	4,935
Interest expense	**(21,072)**	(22,841)	**(43,579)**	(46,335)
Depreciation and amortization expense	**(91,729)**	(86,704)	**(185,302)**	(172,063)
Gain on sale of properties	**95,183**	—	**116,543**	8,937
Impairment charges	**—**	—	**—**	(5,626)
Interest and other income, net	**1,673**	216	**2,136**	1,611
General and administrative expenses	**(15,879)**	(13,606)	**(40,096)**	(35,369)
Gain on land sales	**9,900**	6,070	**11,138**	6,205
Other operating expenses	**(338)**	(1,546)	**(1,483)**	(2,658)
Loss on extinguishment of debt	**(3,938)**	(14,972)	**(4,008)**	(32,778)
Gain on involuntary conversion	**3,222**	1,283	**3,222**	1,283
Non-incremental costs related to successful leases	**(4,027)**	(4,034)	**(6,985)**	(6,559)
Other non-segment revenues and expenses, net	**121**	394	**247**	327
Income from continuing operations before income taxes	**$ 181,328**	$ 40,047	**$ 266,716**	$ 59,599

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

Real Estate Assets

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

	June 30, 2021	December 31, 2020
Buildings and tenant improvements	**$ 5,658,306**	$ 5,812,004
Land and improvements	**2,981,167**	2,883,674
Other real estate investments (1)	**54,192**	49,477
Real estate assets	**$ 8,693,665**	$ 8,745,155

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

Allocation of Noncontrolling Interests - General Partner

The following table illustrates the General Partner's share of the income attributable to common shareholders from continuing operations and discontinued operations, reduced by the allocation of income between continuing and discontinued operations to the noncontrolling interests (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
Income from continuing operations attributable to common shareholders	**$ 175,817**	$ 39,797	**$ 255,179**	$ 59,206
Income from discontinued operations attributable to common shareholders	**—**	23	**—**	70
Net income attributable to common shareholders	**$ 175,817**	$ 39,820	**$ 255,179**	$ 59,276

Allocation of Noncontrolling Interests - Partnership

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

Assets Held-for-Sale

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

	Held-for-Sale at June 30, 2021	Sold Year-to-Date in 2021	Sold in 2020	Total
Properties sold or classified as held-for-sale	23	5	7	35

At June 30, 2021, the properties that met the criteria to be classified as held for sale consisted of 23 wholly-owned properties and 15.0 acres of undeveloped land. None of these held-for-sale properties met the criteria to be classified within discontinued operations.

Included within these properties are nine wholly-owned properties leased by our largest tenant, which will be contributed in three separate tranches pursuant to the terms of a newly formed, unconsolidated joint venture, in which we hold a 20% ownership interest. The first tranche of three properties closed on July 27, 2021 (see Note 12) and the remaining six properties are all expected to close by early 2022.

The other properties that met the criteria for held-for-sale classification at June 30, 2021 represented our remaining properties in the St. Louis market and the sale of these properties closed on July 22, 2021 (see Note 12).

The following table illustrates aggregate balance sheet information for held-for-sale properties (in thousands):

	Held-for-Sale Properties Included in Continuing Operations	
	June 30, 2021	December 31, 2020
Land and improvements	**$ 197,287**	$ 27,954
Buildings and tenant improvements	**325,874**	44,800
Construction in progress	**25**	—
Undeveloped land	**1,338**	—
Accumulated depreciation	**(123,696)**	(5,976)
Deferred leasing and other costs, net	**18,609**	936
Other assets	**16,169**	232
Total assets held-for-sale	**$ 435,606**	$ 67,946
Accrued expenses	**4,296**	660
Other liabilities	**19,643**	7,080
Total liabilities related to assets held-for-sale	**$ 23,939**	$ 7,740

12. Subsequent Events

Declaration of Dividends/Distributions

The General Partner's board of directors declared the following dividends/distributions at its regularly scheduled board meeting held on July 28, 2021:

Class of stock/units	Quarterly Amount per Share or Unit	Record Date	Payment Date
Common - Quarterly	$0.255	August 16, 2021	August 31, 2021

Property Dispositions

On July 22, 2021, we closed on the sale of 14 wholly-owned buildings and 15.0 acres of undeveloped land that were held for sale as of June 30, 2021, for net cash proceeds of approximately $290.0 million, which completed our previously announced exit from the St. Louis market.

In addition, on July 27, 2021, we contributed three properties to a newly-formed, 20%-owned unconsolidated joint venture. These properties consisted of two buildings and one trailer storage lot in Chicago and Atlanta that were held for sale as of June 30, 2021. The joint venture financed the acquisition of these properties with a combination of a third party first mortgage loan and equity contributions from our partner in this joint venture and we received approximately $141.0 million of net cash proceeds, including our share of the proceeds of the joint venture's first mortgage loan.

Debt Extinguishment

On July 9, 2021, we provided notice of redemption to the holders of our $250.0 million of 3.63% unsecured notes, which are scheduled to mature in April 2023. This redemption is expected to occur on August 8, 2021 and will result in a loss on debt extinguishment of approximately $14.0 million, which is comprised of the prepayment premium and the write-off of unamortized deferred financing costs.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to help the reader understand our operations and our present business environment. Management's Discussion and Analysis is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the notes thereto contained in Part I, Item 1 of this Report, and the consolidated financial statements and notes thereto contained in Part IV, Item 15 of our 2020 Annual Report.

Cautionary Notice Regarding Forward-Looking Statements

Certain statements contained in or incorporated by reference into this Report, including, without limitation, those related to our future operations and those related to our expectations concerning the effects of the COVID-19 pandemic on our future operations and balance sheet, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. The words "believe," "estimate," "expect," "anticipate," "intend," "plan," "strategy," "continue," "seek," "may," "could" and similar expressions or statements regarding future periods are intended to identify forward-looking statements, although not all forward-looking statements may contain such words.

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

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

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

The above list of risks and uncertainties is only a summary of some of the most important factors and is not intended to be exhaustive. Additional information regarding risk factors that may affect us is included in our 2020 Annual Report and in Part II, Item 1A, "Risk Factors" in this report. The risk factors contained in our 2020 Annual Report are updated by us from time to time in Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings that we make with the SEC.

Business Overview

The General Partner and Partnership collectively specialize in the ownership, management and development of industrial real estate.

The General Partner is a self-administered and self-managed REIT that began operations in 1986 and is the sole general partner of the Partnership. The Partnership is a limited partnership formed in 1993, at which time all of the properties and related assets and liabilities of the General Partner, as well as proceeds from a secondary offering of the General Partner's common shares, were contributed to the Partnership. Simultaneously, the Partnership completed the acquisition of Duke Associates, a full-service commercial real estate firm operating in the Midwest whose operations began in 1972. We operate the General Partner and the Partnership as one enterprise, and therefore, our discussion and analysis refers to the General Partner and its consolidated subsidiaries, including the Partnership, collectively. A more complete description of our business, and of management's philosophy and priorities, is included in our 2020 Annual Report.

At June 30, 2021, we:

- Owned or jointly controlled 546 primarily industrial properties, of which 517 properties totaling 152.4 million square feet were in service and 29 properties totaling 11.1 million square feet were under development. The 517 in-service properties were comprised of 481 consolidated properties totaling 142.0 million square feet and 36 unconsolidated joint venture properties totaling 10.3 million square feet. The 29 properties under development consisted of 28 consolidated properties totaling 10.5 million square feet and a 582,000 square foot unconsolidated joint venture property.

- Owned directly, or through ownership interests in unconsolidated joint ventures (with acreage not adjusted for our percentage ownership interest), approximately 390 acres of land and controlled approximately 950 acres through purchase options.

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

COVID-19

During the first half of 2021, the economy continued to improve with major stock indices exceeding pre-pandemic levels while supply chains continued to be re-oriented to increase safety stocks and optimize distribution networks to accommodate the continued shift in consumer behavior toward e-commerce. As a result, we realized substantial leasing activity during the first half of 2021, as well as maintained our high tenant retention rates. We have also continued a robust level of new development activity across the markets in which we operate, with speculative development focused on coastal infill markets.

Key Performance Indicators

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

Occupancy Analysis

Occupancy is an important metric for management and our investors for understanding our financial performance. Our ability to maintain high occupancy rates is among the principal drivers of maintaining and increasing rental revenue. The following table sets forth percent leased and average net effective rent information regarding our in-service portfolio of rental properties at June 30, 2021 and 2020, respectively:

	Total Square Feet (in thousands)		Percent of Total Square Feet		Percent Leased*		Average Annual Net Effective Rent**	
Type	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Industrial	**141,835**	138,241	**99.9 %**	99.8 %	**98.0 %**	96.8 %	**$5.43**	$5.10
Non-reportable Rental Operations	**211**	211	**0.1 %**	0.2 %	**93.1 %**	80.5 %	**$22.63**	$24.27
Total Consolidated	**142,046**	138,452	**100.0 %**	100.0 %	**98.0 %**	96.8 %	**$5.46**	$5.12
Unconsolidated Joint Ventures	**10,315**	11,109			**97.1 %**	95.7 %	**$4.37**	$4.23
Total Including Unconsolidated Joint Ventures	**152,361**	149,561			**97.9 %**	96.7 %		

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

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

The higher leased percentage in our industrial portfolio at June 30, 2021, compared to June 30, 2020, was due to leasing up speculative developments.

Vacancy Activity

The following table sets forth vacancy activity, shown in square feet, from our in-service rental properties for the six months ended June 30, 2021 (in thousands):

	Consolidated Properties	Unconsolidated Joint Venture Properties	Total Including Unconsolidated Joint Venture Properties
Vacant square feet at December 31, 2020	3,716	150	3,866
Vacant space in completed developments	210	—	210
Expirations	2,979	167	3,146
Early lease terminations	96	71	167
Property structural changes/other	(360)	—	(360)
Leasing of previously vacant space	(3,769)	(85)	(3,854)
Vacant square feet at June 30, 2021	2,872	303	3,175

Total Leasing Activity

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
New Leasing Activity - First Generation	**330**	1,701	**3,248**	3,034
New Leasing Activity - Second Generation	**1,424**	1,314	**2,677**	1,573
Renewal Leasing Activity	**3,404**	1,939	**6,141**	2,595
Early Renewal Leasing Activity *	**908**	1,253	**1,044**	1,311
Short-Term New Leasing Activity **	**168**	414	**218**	1,069
Short-Term Renewal Leasing Activity **	**1,218**	860	**1,563**	938
Non-Reportable Rental Operations Leasing Activity	**—**	1	**—**	1
Total Consolidated Leasing Activity	**7,452**	7,482	**14,891**	10,521
Unconsolidated Joint Venture Leasing Activity	**185**	153	**185**	1,128
Total Including Unconsolidated Joint Venture Leasing Activity	**7,637**	7,635	**15,076**	11,649

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

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

Second Generation Leases

The following table sets forth the estimated costs of tenant improvements and leasing costs, on a per square foot basis, that we are obligated to fulfill under the second generation industrial leases signed for our rental properties during the three and six months ended June 30, 2021 and 2020:

	Square Feet of Leases (in thousands)		Percent of Expiring Leases Renewed		Average Term in Years		Estimated Tenant Improvement Cost per Square Foot		Leasing Commissions per Square Foot		Concessions per Square Foot	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Three Months												
Consolidated - New Second Generation	**1,424**	1,314			**4.3**	4.1	**$1.35**	$1.92	**$2.66**	$1.89	**$—**	$0.04
Unconsolidated Joint Ventures - New Second Generation	**14**	—			**8.3**	—	**10.89**	—	**5.28**	—	**—**	—
Total - New Second Generation	**1,438**	1,314			**4.3**	4.1	**$1.44**	$1.92	**$2.69**	$1.89	**$—**	$0.04
Consolidated - Renewal	**3,404**	1,939	**77.3 %**	75.1 %	**6.6**	5.2	**$0.67**	$1.04	**$1.84**	$1.76	**$0.32**	$0.04
Unconsolidated Joint Ventures - Renewal	**40**	—	**100.0 %**	— %	**5.0**	—	**2.49**	—	**2.96**	—	**—**	—
Total - Renewal	**3,444**	1,939	**77.5 %**	75.1 %	**6.6**	5.2	**$0.69**	$1.04	**$1.86**	$1.76	**$0.31**	$0.04
Six Months												
Consolidated - New Second Generation	**2,677**	1,573			**5.7**	4.1	**$1.49**	$2.24	**$2.79**	$1.90	**$0.17**	$0.04
Unconsolidated Joint Ventures - New Second Generation	**14**	—			**8.3**	—	**10.89**	—	**5.28**	—	**—**	—
Total - New Second Generation	**2,691**	1,573			**5.7**	4.1	**$1.54**	$2.24	**$2.80**	$1.90	**$0.17**	$0.04
Consolidated - Renewal	**6,141**	2,595	**81.7 %**	70.1 %	**5.7**	5.0	**$0.51**	$1.10	**$1.64**	$1.61	**$0.26**	$0.03
Unconsolidated Joint Ventures - Renewal	**40**	497	**27.3 %**	87.9 %	**5.0**	4.4	**2.49**	0.48	**2.96**	1.72	**—**	—
Total - Renewal	**6,181**	3,092	**80.6 %**	72.4 %	**5.7**	4.9	**$0.52**	$1.00	**$1.65**	$1.62	**$0.25**	$0.03

Growth in average annual net effective rents for new second generation and renewal leases, on a combined basis, for our consolidated and unconsolidated industrial rental properties, is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
Ownership Type	**2021**	2020	**2021**	2020
Consolidated properties	**36.4 %**	26.6 %	**31.7 %**	26.9 %
Unconsolidated joint venture properties	**17.4 %**	— %	**17.4 %**	44.1 %

Lease Expirations

The table below reflects our consolidated in-service portfolio lease expiration schedule at June 30, 2021 (in thousands, except percentage data and number of leases):

	Total Consolidated Portfolio			Industrial		Non-Reportable	
Year of Expiration	**Square Feet**	**Annual Rental Revenue***	**Number of Leases**	**Square Feet**	**Annual Rental Revenue***	**Square Feet**	**Annual Rental Revenue***
Remainder of 2021	3,104	$ 14,520	43	3,104	$ 14,520	—	$ —
2022	15,301	65,152	135	15,284	64,960	17	192
2023	15,274	77,273	156	15,253	76,981	21	292
2024	15,263	79,548	155	15,258	79,486	5	62
2025	15,603	85,594	143	15,601	85,569	2	25
2026	16,004	81,368	130	15,992	81,219	12	149
2027	12,649	64,418	56	12,644	64,361	5	57
2028	10,492	68,679	44	10,373	65,192	119	3,487
2029	8,174	44,811	28	8,174	44,811	—	—
2030	8,616	46,562	38	8,616	46,562	—	—
2031 and Thereafter	18,693	131,605	52	18,678	131,428	15	177
Total Leased	139,173	$ 759,530	980	138,977	$ 755,089	196	$ 4,441
Total Portfolio Square Feet	142,046			141,835		211	
Percent Leased	98.0 %			98.0 %		93.1 %	

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

Property Acquisitions

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

We acquired four in-service buildings and one container storage lot under a long-term lease during the six months ended June 30, 2021, including one property received through an asset distribution from an unconsolidated joint venture, and ten buildings during the year ended December 31, 2020. The following table summarizes the acquisition price, percent leased at time of acquisition and in-place yields of property acquisitions (in thousands, except percentage data):

	Year-to-Date 2021 Acquisitions			Full Year 2020 Acquisitions		
Type	**Acquisition Price***	**In-Place Yield****	**Percent Leased at Acquisition Date*****	Acquisition Price*	In-Place Yield**	Percent Leased at Acquisition Date***
Industrial	**$ 321,715**	**3.4 %**	**100.0 %**	$ 410,817	3.3 %	80.6 %

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

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

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

Building Dispositions

We regularly work to identify, consider and pursue opportunities to dispose of properties on an opportunistic basis and on a basis that is generally consistent with our strategic plans. Our ability to dispose of properties, from time to time, on favorable terms is a key performance indicator from the perspective of management, as a source of capital to fund future investment, and we believe that evaluating our disposition activity is also useful to investors.

We sold five consolidated buildings during the six months ended June 30, 2021 and seven consolidated buildings during the year ended December 31, 2020. The following table summarizes the sales prices, in-place yields and percent leased of industrial building dispositions (in thousands, except percentage data):

	Year-to-Date 2021 Dispositions			Full Year 2020 Dispositions		
Type	**Sales Price**	**In-Place Yield***	**Percent Leased****	Sales Price	In-Place Yield*	Percent Leased**
Industrial	**$ 251,150**	**4.3 %**	**100.0 %**	$ 321,800	3.8 %	77.5 %

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

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

Development

We expect to generate future earnings from Rental Operations as development properties are placed in service and leased. Development activities, and our ability to lease those developments, are viewed by management as key indicators of future earnings growth and provide useful information to investors for the same reasons. At June 30, 2021, we had 11.1 million square feet of property under development with total estimated costs upon completion of $1.45 billion compared to 6.7 million square feet with total estimated costs upon completion of $856.8 million at June 30, 2020. The square footage and estimated costs include both consolidated properties and unconsolidated joint venture development activity at 100%.

The following table summarizes our properties under development at June 30, 2021 (in thousands, except percentage data):

Ownership Type	Square Feet	Percent Leased	Total Estimated Project Costs	Total Incurred to Date	Amount Remaining to be Spent
Consolidated properties	10,476	51.3 %	$ 1,414,423	$ 912,455	$ 501,968
Unconsolidated joint venture properties	582	— %	39,999	3,531	36,468
Total	11,058	48.6 %	$ 1,454,422	$ 915,986	$ 538,436

Results of Operations

A summary of our operating results and property statistics is as follows (in thousands, except number of properties):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
Rental and related revenue from continuing operations	**$ 253,971**	$ 226,374	**$ 512,150**	$ 445,129
Operating income	**201,443**	76,361	**308,945**	135,818
General Partner				
Net income attributable to common shareholders	**$ 175,817**	$ 39,820	**$ 255,179**	$ 59,276
Partnership				
Net income attributable to common unitholders	**$ 177,555**	$ 40,176	**$ 257,678**	$ 59,802
Number of in-service consolidated properties at end of period	**481**	468	**481**	468
In-service consolidated square footage at end of period	**142,046**	138,452	**142,046**	138,452
Number of in-service unconsolidated joint venture properties at end of period	**36**	39	**36**	39
In-service unconsolidated joint venture square footage at end of period	**10,315**	11,109	**10,315**	11,109

Supplemental Performance Measures

In addition to net income computed in accordance with GAAP, we assess and measure the overall operating results of the General Partner and the Partnership using certain non-GAAP supplemental performance measures, which include (i) Funds From Operations ("FFO"), (ii) PNOI and (iii) Same-Property Net Operating Income - Cash Basis ("SPNOI").

These non-GAAP metrics are commonly used by industry analysts and investors as supplemental operating performance measures of REITs and are viewed by management to be useful indicators of operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Management believes that the use of FFO, PNOI and SPNOI, combined with net income (which remains the primary GAAP measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful.

The most comparable GAAP measure to FFO is net income (loss) attributable to common shareholders or common unitholders, while the most comparable GAAP measure to PNOI and SPNOI is income (loss) from continuing operations before income taxes.

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

Funds From Operations

The National Association of Real Estate Investment Trusts ("Nareit") created FFO as a non-GAAP supplemental measure of REIT operating performance. FFO, as defined by Nareit, represents GAAP net income (loss), excluding gains or losses from sales of real estate assets (including real estate assets incidental to our business) and related taxes, gains and losses from change in control, impairment charges related to real estate assets (including real estate assets incidental to our business) plus certain non-cash items such as real estate asset depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures. We calculate FFO in accordance with the definition that was adopted by the Board of Governors of Nareit.

Management believes that the use of FFO as a performance measure enables investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists them in comparing these operating results between periods or between different companies that use the Nareit definition of FFO.

The following table shows a reconciliation of net income attributable to common shareholders or common unitholders to the calculation of FFO attributable to common shareholders or common unitholders (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	**2021**	2020
Net income attributable to common shareholders of the General Partner	**$ 175,817**	$ 39,820	**$ 255,179**	$ 59,276
Add back: Net income attributable to noncontrolling interests - common limited partnership interests in the Partnership	**1,738**	356	**2,499**	526
Net income attributable to common unitholders of the Partnership	**177,555**	40,176	**257,678**	59,802
Adjustments:				
Depreciation and amortization	**91,729**	86,704	**185,302**	172,063
Company share of unconsolidated joint venture depreciation, amortization and other adjustments	**2,012**	2,306	**4,269**	4,500
Gain on sale of properties	**(95,183)**	(23)	**(116,543)**	(9,008)
Gain on land sales	**(9,900)**	(6,070)	**(11,138)**	(6,205)
Impairment charges	**—**	—	**—**	5,626
Income tax expense (benefit) not allocable to FFO	**3,672**	(150)	**8,856**	(210)
Gains on sales of real estate assets - share of unconsolidated joint ventures	**(7,360)**	334	**(20,108)**	308
FFO attributable to common unitholders of the Partnership	**$ 162,525**	$ 123,277	**$ 308,316**	$ 226,876
Additional General Partner Adjustments:				
Net income attributable to noncontrolling interests - common limited partnership interests in the Partnership	**(1,738)**	(356)	**(2,499)**	(526)
Noncontrolling interest share of adjustments	**149**	(744)	**(492)**	(1,474)
FFO attributable to common shareholders of the General Partner	**$ 160,936**	$ 122,177	**$ 305,325**	$ 224,876

Property-Level Net Operating Income - Cash Basis

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

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

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

Note 10 to the consolidated financial statements included in Part I, Item 1 of this Report shows a calculation of our PNOI for the three and six months ended June 30, 2021 and 2020 and provides a reconciliation of PNOI for our Rental Operations segments to income from continuing operations before income taxes.

Same-Property Net Operating Income - Cash Basis

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

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

We define our "same-property" population once a year at the beginning of the current calendar year and include buildings that were stabilized (the term "stabilized" means properties that have reached 90% leased or that have been in-service for at least one year since development completion or acquisition) as of January 1 of the prior calendar year. The "same-property" pool is also adjusted to remove properties that were sold subsequent to the beginning of the current calendar year. As such, the "same-property" population for the period ended June 30, 2021 includes all properties that we owned or jointly controlled at January 1, 2021, which had both been owned or jointly controlled and had reached stabilization by January 1, 2020, and have not been sold.

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

	Three Months Ended June 30,		Percent	Six Months Ended June 30,		Percent
	2021	2020	**Change**	**2021**	2020	**Change**
Income from continuing operations before income taxes	**$ 181,328**	$ 40,047		**$ 266,716**	$ 59,599	
Share of SPNOI from unconsolidated joint ventures	**5,019**	4,685		**9,998**	9,317	
PNOI excluded from the "same-property" population	**(22,443)**	(4,554)		**(40,041)**	(10,360)	
Earnings from Service Operations	**(3,655)**	(1,731)		**(5,305)**	(2,777)	
Rental Operations revenues and expenses excluded from PNOI	**(9,441)**	(13,361)		**(22,173)**	(22,516)	
Non-Segment Items	**16,294**	133,344		**121,309**	278,090	
SPNOI	**$ 167,102**	$ 158,430	5.5 %	**$ 330,504**	$ 311,353	6.2 %

The composition of the line items titled "Rental Operations revenues and expenses excluded from PNOI" and "Non-Segment Items" from the table above are shown in greater detail in Note 10 to the consolidated financial statements included in Part I, Item 1 of this Report.

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

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2021	2020	**2021**	2020
Number of properties	**474**	474	**474**	474
Square feet (in thousands) (1)	**132,801**	132,801	**132,801**	132,801
Average commencement occupancy percentage (2)	**98.0%**	98.3%	**98.0%**	97.6%
Average rental rate - cash basis (3)	**$5.05**	$4.87	**$5.02**	$4.86

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

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

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

Comparison of Three Months Ended June 30, 2021 to Three Months Ended June 30, 2020

Rental and Related Revenue

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

	Three Months Ended June 30,	
	2021	2020
Rental and related revenue:		
Industrial	**$ 252,511**	$ 224,472
Non-reportable Rental Operations and non-segment revenues	**1,460**	1,902
Total rental and related revenue from continuing operations	**$ 253,971**	$ 226,374

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

- We acquired 15 properties and placed 21 developments in service from January 1, 2020 to June 30, 2021, which provided incremental revenues from continuing operations of $24.0 million during the three months ended June 30, 2021, as compared to the same period in 2020.
- The increase in rental revenue included $4.0 million of expense recoveries primarily related to higher recoverable real estate taxes compared to the same period in 2020.
- Increased rental rates within our "same-property" portfolio, as well as the lease up of properties that were placed in service prior to January 1, 2020 but were not in the "same-property" portfolio, also contributed to the increase to rental and related revenue from continuing operations.
- The sale of 12 in-service properties since January 1, 2020, which did not meet the criteria to be classified within discontinued operations, resulted in a decrease of $4.0 million to rental and related revenue from continuing operations in the three months ended June 30, 2021, as compared to the same period in 2020, which partially offset the aforementioned increases to rental and related revenue from continuing operations.

Rental Expenses and Real Estate Taxes

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

	Three Months Ended June 30,	
	2021	2020
Rental expenses:		
Industrial	**$ 18,411**	$ 17,017
Non-reportable Rental Operations and non-segment expenses	**104**	540
Total rental expenses from continuing operations	**$ 18,515**	$ 17,557
Real estate taxes:		
Industrial	**$ 41,106**	$ 36,628
Non-reportable Rental Operations and non-segment expenses	**262**	135
Total real estate tax expense from continuing operations	**$ 41,368**	$ 36,763

Overall, rental expenses from continuing operations increased by $1.0 million during the three months ended June 30, 2021, compared to the same period in 2020. The increase to rental expense was mainly the result of acquisitions and developments placed in service from January 1, 2020 to June 30, 2021. These increases were partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

Overall, real estate tax expense from continuing operations increased by $4.6 million during the three months ended June 30, 2021, compared to the same period in 2020. The increase to real estate tax expense was mainly due to higher real estate tax assessments in certain of our markets and the result of acquisitions and developments placed in service from January 1, 2020 to June 30, 2021, which have generally been concentrated in markets with higher tax rates and/or assessed values. These increases were partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

Depreciation and Amortization

Depreciation and amortization expense from continuing operations was $91.7 million and $86.7 million for the three months ended June 30, 2021 and 2020, respectively. The increase in depreciation and amortization expense for the three months ended June 30, 2021 was mainly the result of continued growth in our portfolio through development and acquisition.

Equity in Earnings of Unconsolidated Joint Ventures

Equity in earnings of unconsolidated joint ventures represents our ownership share of net income from investments in unconsolidated joint ventures that generally own and operate rental properties. Equity in earnings from unconsolidated joint ventures was $10.6 million and $2.4 million for the three months ended June 30, 2021 and 2020, respectively. During the three months ended June 30, 2021, we recognized $7.7 million of equity in earnings related to our share of gain on property sales to unrelated parties by unconsolidated joint ventures.

There were no such transactions in the corresponding period in 2020.

Gain on Sale of Properties - Continuing Operations

The $95.2 million recognized as gain on sale of properties in continuing operations for the three months ended June 30, 2021 is the result of the sale of three properties that did not meet the criteria for inclusion in discontinued operations.

There were no building dispositions during the three months ended June 30, 2020.

General and Administrative Expenses

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

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

General and administrative expenses were $15.9 million and $13.6 million for the three months ended June 30, 2021 and 2020, respectively. The following table sets forth the factors that led to the increased general and administrative expenses (in millions):

General and administrative expenses - three months ended June 30, 2020	$	13.6
Increase to overall pool of overhead costs		2.2
Impact of decreased allocation of costs to leasing and development activities (1)		0.6
Increased allocation of costs to Service Operations and Rental Operations		(0.5)
General and administrative expenses - three months ended June 30, 2021	**$**	**15.9**

(1) We capitalized $1.3 million and $9.1 million of our total overhead costs to leasing and development, respectively, for consolidated properties during the three months ended June 30, 2021, compared to capitalizing $1.4 million and $9.5 million of such costs, respectively, for the three months ended June 30, 2020. Combined overhead costs capitalized to leasing and development totaled 28.3% and 33.8% of our overall pool of overhead costs for the three months ended June 30, 2021 and 2020, respectively. Additionally, $4.0 million of our total overhead costs, which were not capitalizable, were recorded as expenses and presented separately in the line item "Non-Incremental Costs Related to Successful Leases" on the Consolidated Statements of Operations for both the three months ended June 30, 2021 and 2020.

Interest Expense

Interest expense from continuing operations was $21.1 million and $22.8 million for the three months ended June 30, 2021 and 2020, respectively. The decrease in interest expense from continuing operations for the three months ended June 30, 2021 was primarily due to lower average interest rates and higher capitalized interest expense, partially offset by increased overall borrowings.

We capitalized $9.7 million and $6.8 million of interest costs for the three months ended June 30, 2021 and 2020, respectively.

Debt Extinguishment

During the three months ended June 30, 2021, the Partnership redeemed $83.7 million of its unsecured notes due October 2022, which had a stated interest rate of 3.88%. We recognized a loss of $3.9 million in connection with the redemption of these notes including the prepayment premium and write-off of the unamortized deferred financing costs.

During the three months ended June 30, 2020, the Partnership repurchased and canceled $216.3 million of unsecured notes, which had a stated interest rate of 3.88% pursuant to a tender offer completed by the Partnership. We recognized a loss of $15.0 million in connection with the cancellation of these notes including the prepayment premium and write-off of the deferred financing costs.

Comparison of Six Months Ended June 30, 2021 to Six Months Ended June 30, 2020

Rental and Related Revenue

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

	Six Months Ended June 30,	
	2021	2020
Rental and related revenue:		
Industrial	**$ 509,181**	$ 441,424
Non-reportable Rental Operations and non-segment revenues	**2,969**	3,705
Total rental and related revenue from continuing operations	**$ 512,150**	$ 445,129

The following factors contributed to the increase in rental and related revenue from continuing operations:

- We acquired 15 properties and placed 21 developments in service from January 1, 2020 to June 30, 2021, which provided incremental revenues from continuing operations of $45.7 million in the six months ended June 30, 2021, as compared to the same period in 2020.

- The increase in rental revenue included $13.9 million of expense recoveries primarily related to higher recoverable snow removable costs and recoverable real estate taxes compared to the same period in 2020.

- Increased rental rates and, to a lesser extent, occupancy within our "same-property" portfolio, as well as the lease up of properties that were placed in service prior to January 1, 2020 but were not in the "same-property" portfolio, also contributed to the increase to rental and related revenue from continuing operations.

- The sale of 12 in-service properties, since January 1, 2020, which did not meet the criteria for inclusion within discontinued operations, resulted in a decrease of $7.6 million to rental and related revenue from continuing operations in the six months ended June 30, 2021, as compared to the same period in 2020, which partially offset the aforementioned increases to rental and related revenue from continuing operations.

Rental Expenses and Real Estate Taxes

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

	Six Months Ended June 30,	
	2021	2020
Rental expenses:		
Industrial	**$ 46,235**	$ 35,538
Non-reportable Rental Operations and non-segment expenses	**410**	862
Total rental expenses from continuing operations	**$ 46,645**	$ 36,400
Real estate taxes:		
Industrial	**$ 82,270**	$ 72,867
Non-reportable Rental Operations and non-segment expenses	**268**	623
Total real estate tax expense from continuing operations	**$ 82,538**	$ 73,490

Overall, rental expenses from continuing operations increased by $10.2 million in the six months ended June 30, 2021, compared to the same period in 2020. The increase to rental expenses was primarily due to higher snow removal costs compared to the same period in 2020.

Overall, real estate tax expense from continuing operations increased by $9.0 million in the six months ended June 30, 2021, compared to the same period in 2020. The increase to real estate tax expense was mainly due to higher real estate tax assessments in certain of our markets and the result of acquisitions and developments placed in service from January 1, 2020 to June 30, 2021, which have generally been concentrated in markets with higher tax rates and/or assessed values. These increases were partially offset by the impact of property sales that did not meet the criteria to be classified within discontinued operations.

Depreciation and Amortization

Depreciation and amortization expense was $185.3 million and $172.1 million for the six months ended June 30, 2021 and 2020, respectively. The increase in depreciation and amortization expense for the six months ended June 30, 2021 was mainly the result of continued growth in our portfolio through development and acquisition.

Equity in Earnings of Unconsolidated Joint Ventures

Equity in earnings from unconsolidated joint ventures was $26.9 million and $4.9 million for the six months ended June 30, 2021 and 2020, respectively. During the six months ended June 30, 2021, we recognized $10.6 million of equity in earnings of unconsolidated joint ventures related to gains on the distribution of joint venture assets to our partner in two unconsolidated joint ventures made in connection with a plan of dissolution (see Note 6 to the consolidated financial statements). We also recognized $10.0 million of equity in earnings related to our share of gains on the sale of properties to unrelated parties by unconsolidated joint ventures during the six months ended June 30, 2021.

There were no such transactions in the corresponding period in 2020.

Gain on Sale of Properties - Continuing Operations

The $116.5 million recognized as gain on sale of properties in continuing operations for the six months ended June 30, 2021 was primarily the result of the sale of five consolidated properties that did not meet the criteria for inclusion in discontinued operations.

The $8.9 million recognized as gain on sale of properties from continuing operations for the six months ended June 30, 2020 related to the gain from the sale of one property that did not meet the criteria for inclusion in discontinued operations.

Impairment Charges

We did not recognize any impairment charges during the six months ended June 30, 2021.

During the six months ended June 30, 2020, we recognized $5.6 million of impairment charges related to writing off pre-acquisition costs, primarily non-refundable purchase deposits, for certain planned purchases of undeveloped land that we elected not to pursue due to the uncertain economic outlook at the onset of the COVID-19 pandemic.

General and Administrative Expense

General and administrative expenses increased from $35.4 million for the six months ended June 30, 2020 to $40.1 million for the same period in 2021. The following table sets forth the factors that impacted general and administrative expenses (in millions):

General and administrative expenses - six months ended June 30, 2020	$	35.4
Increase to overall pool of overhead costs		4.9
Impact of decreased allocation of costs to leasing and development activities (1)		0.9
Increased allocation of costs to Service Operations and Rental Operations		(1.1)
General and administrative expenses - six months ended June 30, 2021	**$**	**40.1**

(1) We capitalized $3.4 million and $15.7 million of our total overhead costs to leasing and development, respectively, for consolidated properties during the six months ended June 30, 2021, compared to capitalizing $2.3 million and $18.2 million of such costs, respectively, for the six months ended June 30, 2020. Combined overhead costs capitalized to leasing and development totaled 24.2% and 28.5% of our overall pool of overhead costs for the six months ended June 30, 2021 and 2020, respectively. Additionally, $7.0 million of our total overhead costs, which were not capitalizable, were recorded as expenses and presented separately in the line item "Non-Incremental Costs Related to Successful Leases" on the Consolidated Statements of Operations during the six months ended June 30, 2021, compared to $6.6 million of such expenses during the six months ended June 30, 2020.

Interest Expense

Interest expense allocable to continuing operations was $43.6 million and $46.3 million for the six months ended June 30, 2021 and 2020, respectively. The decrease in interest expense from continuing operations for the six months ended June 30, 2021 was primarily due to lower average interest rates and higher capitalized interest expense, partially offset by increased overall borrowings.

We capitalized $17.7 million and $13.7 million of interest costs during the six months ended June 30, 2021 and 2020, respectively.

Debt Extinguishment

In January 2021, the Partnership assumed and immediately repaid $40.2 million of unsecured debt related to the dissolution of two unconsolidated joint ventures (see Note 6 to the consolidated financial statements).

In June 2021, the Partnership redeemed $83.7 million of its remaining 3.88% unsecured notes due October 2022. We recognized a loss of $3.9 million in connection with the redemption of these notes including the prepayment premium and write-off of the unamortized deferred financing costs.

During the six months ended June 30, 2020, the Partnership redeemed $300.0 million of unsecured notes with a stated interest rate of 4.38% and repurchased and canceled $216.3 million of unsecured notes with a stated interest rate of 3.88% pursuant to a tender offer completed by the Partnership. In connection with redemption and repurchase of these unsecured notes, we recognized a total loss of $32.8 million including the redemption/repayment premium and write-off of the deferred financing costs.

Liquidity and Capital Resources

Sources of Liquidity

We expect to meet our short-term liquidity requirements over the next 12 months, which include payments of dividends and distributions, completion of development projects that are currently under construction and capital expenditures needed to maintain our current real estate assets, through working capital, net cash provided by operating activities and short term borrowings on the Partnership's unsecured line of credit. We had $2.8 million of restricted cash in escrow for future like kind exchange transactions, $8.3 million of cash on hand and $265.0 million of outstanding borrowings on the Partnership's $1.20 billion unsecured line of credit at June 30, 2021.

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

Rental Operations

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

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

Debt and Equity Securities

We use the Partnership's unsecured line of credit (which is guaranteed by the General Partner) as a temporary source of capital to fund development activities, acquire additional rental properties and provide working capital. In March 2021, the Partnership amended and restated its existing $1.20 billion unsecured line of credit, which was set to mature in January 2022 with two six-month extension options. The amended and restated line of credit bears interest at LIBOR plus 0.775% with a reduction in borrowing costs if certain sustainability linked metrics are achieved each year. The amended and restated line of credit matures on March 31, 2025 with two six-month extension options.

In 2017, the Alternative Reference Rates Committee proposed that the Secured Overnight Funding Rate replace LIBOR. In March 2021, the administrator of LIBOR announced that the publication of LIBOR will cease for one-week and two-month USD LIBOR settings immediately after December 31, 2021, and the remaining USD LIBOR settings immediately after June 30, 2023. As the Partnership's unsecured line of credit agreement has provisions that allow for automatic transition to a new rate, and the Partnership has no other material debt arrangements that are indexed to LIBOR, we believe that the transition will not have a material impact on our consolidated financial statements.

In January 2021, the Partnership issued $450.0 million of senior unsecured notes, which bear interest at a stated interest rate of 1.75%, have an effective interest rate of 1.83%, and mature on February 1, 2031, for cash proceeds of $446.6 million.

Such unsecured notes, as well as other debt securities issued by the Partnership, are governed pursuant to certain indentures and related supplemental indentures, which also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such covenants, as well as applicable covenants under our unsecured line of credit, at June 30, 2021.

At June 30, 2021, we had on file with the SEC an automatic shelf registration statement on Form S-3 relating to the offer and sale, from time to time, of an indeterminate amount of debt and equity securities (including guarantees of the Partnership's debt securities by the General Partner). Equity securities are offered and sold by the General Partner, and the net proceeds of such offerings are contributed to the Partnership in exchange for additional General Partner Units or Preferred Units. From time to time, we expect to issue additional securities under this automatic shelf registration statement to fund the repayment of debt, development and future acquisitions and for other general corporate purposes.

In February 2021, the General Partner terminated its previous equity distribution agreement for the ATM equity program and entered into a new equity distribution agreement pursuant to which the General Partner may sell from time to time up to an aggregate offering price of $400.0 million of its common stock through sales agents or forward sellers. During the six months ended June 30, 2021, the General Partner issued a total of 3.9 million shares pursuant to its current ATM equity program, resulting in net proceeds of $178.0 million after paying total compensation of $1.8 million to the applicable sales agents. Of the total activity under the new ATM program, 3.4 million common shares were issued during the three months ended June 30, 2021, resulting in net proceeds of $156.4 million after paying total compensation of $1.6 million to the applicable sales agents. In addition, during the six months ended June 30, 2021, the General Partner issued 210,000 common shares under its predecessor ATM equity program, resulting in net proceeds of $8.3 million after paying total compensation of $84,000 to the applicable sales agents. These issuances under both ATM programs resulted in net proceeds of $185.8 million during 2021, after deducting the commissions and other fees paid, totaling $461,000. As of June 30, 2021, the new ATM equity program had $220.2 million worth of common shares available to issue.

Sale of Real Estate Assets

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

Sales of land and properties provided $266.0 million and $34.5 million in net proceeds during the six months ended June 30, 2021 and 2020, respectively.

Transactions with Unconsolidated Joint Ventures

Transactions with unconsolidated joint ventures also provide a source of liquidity. From time to time we will sell properties to unconsolidated joint ventures, while retaining a continuing interest in that entity, and receive proceeds commensurate to those interests that we do not own. Additionally, unconsolidated joint ventures will from time to time obtain debt financing or sell properties and will then distribute to us, and our joint venture partners, all or a portion of the proceeds from such transactions. During the six months ended June 30, 2021, our share of sale and capital distributions from unconsolidated joint ventures totaled $20.5 million.

Uses of Liquidity

Our principal uses of liquidity include the following:

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

Property Investment

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

Leasing/Capital Costs

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

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

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

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

	Six Months Ended June 30,	
	2021	2020
Second generation tenant improvements	**$ 11,732**	$ 7,975
Second generation leasing costs	**18,645**	7,901
Building improvements	**3,370**	1,790
Total second generation capital expenditures	**$ 33,747**	$ 17,666
Development of real estate investments	**$ 332,091**	$ 333,212
Other deferred leasing costs	**$ 16,448**	$ 16,702

The capital expenditures in the table above include the capitalization of internal overhead costs. We capitalized $3.4 million and $2.3 million of overhead costs that are incremental to executing leases, including both first and second generation leases, during the six months ended June 30, 2021 and 2020, respectively. We capitalized $15.7 million and $18.2 million of overhead costs related to development activities, including both development and tenant improvement projects on first and second generation space, during the six months ended June 30, 2021 and 2020, respectively. Combined overhead costs capitalized to leasing and development totaled 24.2% and 28.5% of our overall pool of overhead costs for the six months ended June 30, 2021 and 2020, respectively.

Further discussion of the capitalization of overhead costs can be found herein, in the quarter-to-quarter and year-to-year comparisons of general and administrative expenses of this Item 2 as well as in the Critical Accounting Policies section of Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2020 Annual Report.

In addition to the capitalization of overhead costs, the totals for development of real estate assets in the table above include the capitalization of $17.7 million and $13.7 million of interest costs during the six months ended June 30, 2021 and 2020, respectively.

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

Dividend and Distribution Requirements

The General Partner is required to meet the distribution requirements of the Code in order to maintain its REIT status. We paid regular dividends or distributions of $0.255 per common share or Common Unit in the first and second quarters of 2021, and the General Partner's board of directors declared dividends or distributions of $0.255 per common share or Common Unit for the third quarter of 2021.

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

Debt Service and Maturities

Debt outstanding at June 30, 2021 had a face value totaling $3.75 billion with a weighted average interest rate of 3.00% and maturities at various dates through 2050. Of this total amount, we had $3.43 billion of unsecured debt, $58.6 million of secured debt and $265.0 million outstanding borrowings on our unsecured line of credit at June 30, 2021. Scheduled principal amortization, maturities, repayments of outstanding line of credit balances and repayments of assumed joint venture debt totaled $156.0 million for the six months ended June 30, 2021.

The following table is a summary of the scheduled future amortization and maturities of our indebtedness at June 30, 2021 (in thousands, except percentage data):

	Future Repayments			
Year	**Scheduled Amortization**	**Maturities**	**Total**	**Weighted Average Interest Rate of Future Repayments**
Remainder of 2021	$ 2,385	$ —	$ 2,385	4.84 %
2022	4,646	—	4,646	5.18 %
2023	4,893	250,000	254,893	3.75 %
2024	5,155	300,000	305,155	3.92 %
2025	5,102	—	5,102	5.08 %
2026	3,238	640,000	643,238	2.34 %
2027	1,615	475,000	476,615	3.18 %
2028	1,307	500,000	501,307	4.45 %
2029	1,359	400,000	401,359	2.88 %
2030	1,413	350,000	351,413	1.86 %
2031	1,469	450,000	451,469	1.84 %
Thereafter	3,261	347,734	350,995	3.26 %
	$ 35,843	$ 3,712,734	$ 3,748,577	3.00 %

The Partnership's unsecured line of credit is reflected in the table above as maturing in March 2026, based on the ability to exercise the two six-month extension options from its stated maturity date of March 2025 (see Note 7).We anticipate generating capital to fund our debt maturities by using undistributed cash generated from our Rental Operations and property dispositions and by raising additional capital from future debt or equity transactions.

Repayments of Outstanding Debt

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

In January 2021, the Partnership assumed, and immediately repaid $40.2 million of unsecured debt associated with the properties received as a result of the dissolution of two unconsolidated joint ventures (see Note 6 to the consolidated financial statements).

In June 2021, we redeemed $83.7 million of unsecured notes that were scheduled to mature in October 2022.

Contractual Obligations

Aside from repayment of long-term debt and the issuance of senior unsecured notes described in the Sources of Liquidity section above, there have been no other material changes in our outstanding commitments since December 31, 2020, as previously discussed in our 2020 Annual Report.

Historical Cash Flows

Cash, cash equivalents and restricted cash were $53.2 million and $58.6 million at June 30, 2021 and 2020, respectively. The following table highlights significant changes in net cash associated with our operating, investing and financing activities (in millions):

	Six Months Ended June 30,	
	2021	2020
Net cash provided by operating activities	**$ 312.0**	$ 261.2
Net cash used for investing activities	**$ (595.6)**	$ (334.0)
Net cash provided by financing activities	**$ 269.6**	$ 10.0

Operating Activities

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

Investing Activities

Highlights of significant cash sources and uses are as follows:

- During the six months ended June 30, 2021, we paid cash of $218.8 million for building acquisitions. We did not acquire any buildings during the six months ended June 30, 2020. We paid cash of $223.3 million for undeveloped land acquisitions during the six months ended June 30, 2021, compared to $95.9 million for land acquisitions during the same period in 2020.
- Real estate development costs were $332.1 million during the six months ended June 30, 2021, compared to $333.2 million during the same period in 2020.
- Sales of land and properties provided $266.0 million in net proceeds during the six months ended June 30, 2021, compared to $34.5 million during the same period in 2020.
- We issued first mortgage loans for net proceeds of $81.7 million to the borrowers during the six months ended June 30, 2021. During this period, we also received a $28.4 million earnest money deposit, held in escrow at June 30, 2021, related to properties we will contribute to a new unconsolidated joint venture. We did not issue any mortgage loans during the same period in 2020.
- We did not receive repayments of notes receivable from property sales for the six months ended June 30, 2021. During the six months ended June 30, 2020, we received repayments of the final $110.0 million on our notes receivable related to the disposition of our medical office portfolio in 2017.
- Second generation tenant improvements, leasing costs and building improvements totaled $33.7 million during the six months ended June 30, 2021 compared to $17.7 million during the same period in 2020.

Financing Activities

The following items highlight significant capital transactions:

- During the six months ended June 30, 2021, the General Partner issued 4.1 million common shares pursuant to its ATM equity programs for net proceeds of $185.8 million, compared to 2.0 million common shares for net proceeds of $70.7 million during the same period in 2020.
- During the six months ended June 30, 2021, the Partnership issued $450.0 million of senior unsecured notes, which bear interest at a stated interest rate of 1.75%, have an effective interest rate of 1.83% and mature on February 1, 2031, for cash proceeds of $446.6 million. During the six months ended June 30, 2020, the Partnership issued $325.0 million of senior unsecured notes, which bear interest at a stated interest rate of 3.05%, have an effective interest rate of 3.19% and mature on March 1, 2050, for cash proceeds of $316.4 million. The Partnership also issued $350.0 million of senior unsecured notes during the same period in 2020, which bear interest at a stated interest rate of 1.75%, have an effective interest rate of 1.85% and mature on July 1, 2030, for cash proceeds of $346.8 million.
- During the six months ended June 30, 2021, the Partnership paid total cash of $127.8 million for the repayment of unsecured debt. These repayments consisted of $40.2 million of unsecured debt assumed, and immediately repaid, in connection the distribution of the majority of the assets (see Note 6 to the consolidated financial statements) from two unconsolidated joint ventures as well as a cash payment of $87.5 million for the early redemption of $83.7 million of unsecured notes that had a scheduled maturity in October 2022. During the six months ended June 30, 2020, the Partnership paid total cash of $547.0 million for the early redemption of $300.0 million of senior unsecured notes that were scheduled to mature in June 2022 and the early repurchase and cancellation of $216.3 million of senior unsecured notes due in October 2022.
- The Partnership did not obtain any secured loans during the six months ended June 30, 2021. During the six months ended June 30, 2020, a consolidated joint venture of the Partnership obtained a secured loan from a third party financial institution for gross proceeds of $18.4 million.
- The Partnership decreased net borrowings on its unsecured line of credit by $30.0 million during the six months ended June 30, 2021. For the six months ended June 30, 2020, we did not have any net borrowings on the unsecured line of credit.
- We paid regular cash dividends totaling $191.1 million and $173.1 million during the six months ended June 30, 2021 and 2020, respectively.
- Changes in book cash overdrafts are classified as financing activities within our Consolidated Statements of Cash Flows. Book cash overdrafts were $20.1 million at June 30, 2021. There were no book cash overdrafts at June 30, 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

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

	Remainder of 2021	2022	2023	2024	2025	Thereafter	Face Value	Fair Value
Long-Term Debt:								
Fixed rate secured debt	$ 2,085	$ 4,346	$ 4,593	$ 4,855	$ 4,702	$ 36,396	$ 56,977	$ 62,905
Weighted average interest rate	5.53 %	5.54 %	5.55 %	5.56 %	5.51 %	4.18 %	4.67 %	
Variable rate secured debt	$ 300	$ 300	$ 300	$ 300	$ 400	$ —	$ 1,600	$ 1,600
Weighted average interest rate	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	N/A	0.05 %	
Fixed rate unsecured debt	$ —	$ —	$ 250,000	$ 300,000	$ —	$ 2,875,000	$ 3,425,000	$ 3,607,135
Weighted average interest rate	N/A	N/A	3.72 %	3.90 %	N/A	3.01 %	3.14 %	
Variable rate unsecured line of credit	$ —	$ —	$ —	$ —	$ —	$ 265,000	$ 265,000	$ 265,000
Rate at June 30, 2021	N/A	N/A	N/A	N/A	N/A	0.86 %	0.86 %	

The Partnership's unsecured line of credit is reflected in the table above as maturing in March 2026, based on the ability to exercise the two six-month extension options from its stated maturity date of March 2025 (see Note 7). As the above table incorporates only those exposures that existed at June 30, 2021, it does not consider those exposures or positions that could arise after that date. As a result, the ultimate impact of interest rate fluctuations will depend on future exposures that arise, our hedging strategies at that time, to the extent we are party to interest rate derivatives, and interest rates. Interest expense on our unsecured line of credit, to the extent there are outstanding borrowings, will be affected by fluctuations in the LIBOR indices or applicable replacement rates, changes in our credit rating as well as certain sustainability linked metrics achieved each year. The interest rate at such point in the future as we may renew, extend or replace our unsecured line of credit will be heavily dependent upon the state of the credit environment.

Item 4. Controls and Procedures

Controls and Procedures (General Partner)

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures are further designed to ensure that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based upon the foregoing, the Chief Executive Officer and the Chief Financial Officer concluded that, as of the end of the period covered by this Report, our disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Controls and Procedures (Partnership)

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures are further designed to ensure that such information is accumulated and communicated to management, including the General Partner's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of management, including the General Partner's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based upon the foregoing, the General Partner's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Report, our disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

From time to time, we are parties to a variety of legal proceedings and claims arising in the ordinary course of our businesses. While these matters generally are covered by insurance, there is no assurance that our insurance will cover any particular proceeding or claim. We are not subject to any material pending legal proceedings other than routine litigation arising in the ordinary course of business. We presently believe that all of the proceedings to which we were subject as of June 30, 2021, taken as a whole, will not have a material adverse effect on our liquidity, business, financial condition or results of operations.

Item 1A. Risk Factors

In addition to the information set forth in this Report, you also should carefully review and consider the information contained in our other reports and periodic filings that we make with the SEC, including, without limitation, the information contained under the caption "Item 1A. Risk Factors" in our 2020 Annual Report. The risks and uncertainties described in our 2020 Annual Report are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we presently deem to be immaterial, also may materially adversely affect our business, financial condition and results of operations. Significant additional risk factors that we face since our 2020 Annual Report are described below:

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

Our systems are vulnerable to damages from any number of sources, including energy blackouts, natural disasters, terrorism, war, telecommunication failures and cyber security attacks, such as computer viruses, computer hacking, acts of vandalism or theft, malware or other malicious codes, phishing, employee error or malfeasance, or other unauthorized access. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business. We may also incur additional costs to remedy damages caused by such disruptions.

With the increase in criminal cyber security attacks against public companies, we have experienced in the past, and may experience in the future, cyber security attacks, which may range from uncoordinated attempts to sophisticated and targeted measures directed at us. For example, in July 2021, we determined our computer network was affected by a cyber security incident. In response to the attack, we implemented immediate steps to assess and attempt to contain the cyber security incident and secure our systems. During our investigation, which is ongoing, we confirmed that evidence existed of exfiltration of data on company systems. We do not presently have any evidence that data belonging to us has been misused and the incident has not resulted in any material interruption to our business or operations. While the precise nature of the data has not yet been fully identified and expert forensic analysis of the incident is ongoing, we currently do not believe the outcome will result in material interruption to our business or operations, costs or other adverse consequences.

Any future significant compromise or breach of our data security, whether external or internal, or misuse of customer, associate, supplier or company data, could result in significant costs, lost sales, fines, lawsuits, and damage to our reputation. Any compromise of our security could also result in a violation of applicable privacy and other laws, unauthorized access to information of ours and others, significant legal and financial exposure, damage to our reputation, loss or misuse of the information and a loss of confidence in our security measures, which could harm our business.

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

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Unregistered Sales of Equity Securities

None

(b) Use of Proceeds

None

(c) Issuer Purchases of Equity Securities

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

On January 27, 2021, the General Partner's board of directors adopted a resolution that amended and restated the Repurchase Program and delegated authority to management to repurchase a maximum of $300.0 million of the General Partner's common shares, $750.0 million of the Partnership's debt securities and $500.0 million of the General Partner's preferred shares, subject to the prior notification of the Chairman of the finance committee of the board of directors of planned repurchases within these limits. We did not repurchase any equity securities through the Repurchase Program during the three months ended June 30, 2021.

Item 3. Defaults upon Senior Securities

During the period covered by this Report, we did not default under the terms of any of our material indebtedness.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the period covered by this Report, there was no information required to be disclosed by us in a Current Report on Form 8-K that was not so reported, nor were there any material changes to the procedures by which our security holders may recommend nominees to the General Partner's board of directors.

Item 6. Exhibits
(a) Exhibits

3.1	Sixth Amended and Restated Articles of Incorporation of the General Partner (filed as Exhibit 3.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on January 5, 2015, and incorporated herein by this reference).
3.2	Fifth Amended and Restated Bylaws of the General Partner (filed as Exhibit 3.1 to the General Partner's Current Report on Form 8-K as filed with the SEC on October 26, 2017, and incorporated herein by this reference).
3.3	Certificate of Limited Partnership of the Partnership, dated September 17, 1993 (filed as Exhibit 3.1(i) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 2006 as filed with the SEC on March 13, 2007, and incorporated herein by this reference) (File No. 000-20625).
3.4 (i)	Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on May 5, 2014, and incorporated herein by this reference).
3.4 (ii)	First Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on August 6, 2014, and incorporated herein by this reference).
3.4 (iii)	Second Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on December 16, 2014, and incorporated herein by this reference).
3.4 (iv)	Third Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.2 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on January 5, 2015, and incorporated herein by this reference).
3.4 (v)	Fourth Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on January 29, 2015, and incorporated herein by this reference).
3.4 (vi)	Fifth Amendment to Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (filed as Exhibit 3.1 to the combined Current Report on Form 8-K of the General Partner and the Partnership as filed with the SEC on October 25, 2018, and incorporated herein by this reference).
31.1	Rule 13a-14(a) Certification of the Chief Executive Officer of the General Partner.*
31.2	Rule 13a-14(a) Certification of the Chief Financial Officer of the General Partner.*
31.3	Rule 13a-14(a) Certification of the Chief Executive Officer for the Partnership.*
31.4	Rule 13a-14(a) Certification of the Chief Financial Officer for the Partnership.*
32.1	Section 1350 Certification of the Chief Executive Officer of the General Partner.**
32.2	Section 1350 Certification of the Chief Financial Officer of the General Partner.**
32.3	Section 1350 Certification of the Chief Executive Officer for the Partnership.**
32.4	Section 1350 Certification of the Chief Financial Officer for the Partnership.**
101.Def	Definition Linkbase Document
101.Pre	Presentation Linkbase Document
101.Lab	Labels Linkbase Document
101.Cal	Calculation Linkbase Document
101.Sch	Schema Document
101.Ins	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

* Filed herewith.

** The certifications attached as Exhibits 32.1, 32.2, 32.3 and 32.4 accompany this Quarterly Report on Form 10-Q and are "furnished" to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by the General Partner or the Partnership, respectively, for purposes of Section 18 of the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DUKE REALTY CORPORATION

/s/ James B. Connor
James B. Connor
Chairman and Chief Executive Officer

/s/ Mark A. Denien
Mark A. Denien
Executive Vice President and Chief Financial Officer

DUKE REALTY LIMITED PARTNERSHIP
By: DUKE REALTY CORPORATION, its general partner

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

/s/ Mark A. Denien
Mark A. Denien

Executive Vice President and Chief Financial Officer of the General Partner

Date: July 30, 2021

EXHIBIT 31.1

DUKE REALTY CORPORATION

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, James B. Connor, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Duke Realty Corporation;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2021

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer

EXHIBIT 31.2

DUKE REALTY CORPORATION

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Mark A. Denien, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Duke Realty Corporation;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2021

/s/ Mark A. Denien

Mark A. Denien
Executive Vice President and Chief Financial Officer

EXHIBIT 31.3

DUKE REALTY LIMITED PARTNERSHIP

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, James B. Connor, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Duke Realty Limited Partnership;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2021

/s/ James B. Connor

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

EXHIBIT 31.4

DUKE REALTY LIMITED PARTNERSHIP

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Mark A. Denien, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Duke Realty Limited Partnership;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2021

/s/ Mark A. Denien

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Duke Realty Corporation (the “General Partner”) on Form 10-Q for the quarter ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James B. Connor, Chairman and Chief Executive Officer of the General Partner, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the General Partner.

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer
Date: July 30, 2021

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of Duke Realty Corporation (the “General Partner”) on Form 10-Q for the quarter ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark A. Denien, Executive Vice President and Chief Financial Officer of the General Partner, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the General Partner.

/s/ Mark A. Denien

Mark A. Denien
Executive Vice President and Chief Financial Officer
Date: July 30, 2021

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

EXHIBIT 32.3

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

In connection with the Quarterly Report of Duke Realty Limited Partnership (the “Partnership”) on Form 10-Q for the quarter ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James B. Connor, Chairman and Chief Executive Officer of Duke Realty Corporation, the general partner of the Partnership (the “General Partner”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ James B. Connor

James B. Connor
Chairman and Chief Executive Officer of the General Partner
Date: July 30, 2021

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

EXHIBIT 32.4

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

In connection with the Quarterly Report of Duke Realty Limited Partnership (the “Partnership”) on Form 10-Q for the quarter ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark A. Denien, Executive Vice President and Chief Financial Officer of Duke Realty Corporation, the general partner of the Partnership (the “General Partner”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Mark A. Denien

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

Date: July 30, 2021

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