

DUKE REALTY CORP
Form 424B3
January 09, 2013
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-181030

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

Subject to Completion, dated January 9, 2013

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated April 30, 2012)

30,000,000 Common Shares

We are offering 30,000,000 shares of our common stock, par value \$0.01 per share, to be sold in this offering. We have granted the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 4,500,000 additional shares of our common stock.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol DRE. On January 8, 2013, the reported closing price of our common stock on the NYSE was \$14.41 per share.

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

Investing in our common stock involves risk. See Supplemental Risk Factors beginning on page S-6 of this prospectus supplement and the risks set forth under the heading Item 1A. Risk Factors beginning on page 5 of our Annual Report on Form 10-K for the year ended December 31, 2011.

Per Share Total

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

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

The underwriters expect to deliver the shares to the purchasers on or about January , 2013.

Joint Book-Running Managers

Morgan Stanley

UBS Investment Bank

The date of this prospectus supplement is January , 2013.

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

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ABOUT THIS PROSPECTUS SUPPLEMENT

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

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

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

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

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

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

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

Duke Realty incorporates by reference the following documents or information filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2011;

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our Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2011;

those portions of the Definitive Proxy Statement filed on March 14, 2012 in connection with our 2012 Annual Meeting of Shareholders that are incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2011;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012;

our Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012;

ours and our Operating Partnership's combined Quarterly Reports on Form 10-Q for the quarters ended June 30, 2012 and September 30, 2012;

our Current Reports on Form 8-K and Form 8-K/A filed on February 1, 2012, March 9, 2012, April 30, 2012, May 7, 2012, June 6, 2012, June 11, 2012, September 19, 2012 and December 13, 2012 (except for information furnished to the SEC that is not deemed to be filed for purposes of the Securities Exchange Act of 1934, as amended, or the Exchange Act);

our Operating Partnership's Current Reports on Form 8-K and Form 8-K/A filed on March 9, 2012, April 30, 2012, May 7, 2012, June 6, 2012, June 11, 2012, September 19, 2012 and December 13, 2012 (except for information furnished to the SEC that is not deemed to be filed for purposes of the Exchange Act);

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

all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and before the termination of this offering (except for information furnished to the SEC that is not deemed to be filed for purposes of the Exchange Act and except for Annual Reports on Form 11-K).

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

Investor Relations

Duke Realty Corporation

600 East 96th Street, Suite 100

Indianapolis, Indiana 46240

Telephone: (317) 808-6000

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

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

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Certain statements contained in or incorporated by reference into this prospectus supplement, including, without limitation, those related to our future operations, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act. The words believe, estimate, expect, anticipate, intend, plan, seek, may and s

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

Changes in general economic and business conditions, including the financial condition of our tenants and the value of our real estate assets;

Our 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 our stock price and trading volume;

Our continuing ability to raise funds on favorable terms;

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

Potential increases in real estate construction costs;

Our ability to successfully dispose of properties on terms that are favorable to us, including, without limitation, through one or more transactions that are consistent with our previously disclosed strategic plans;

Our ability to retain our current credit ratings;

Inherent risks in the real estate business, including, but not limited to, tenant defaults, potential liability relating to environmental matters and liquidity of real estate investments; and

Other risks and uncertainties described herein, as well as those risks and uncertainties discussed from time to time in our other reports and other public filings with the SEC.

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

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This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. Additional information regarding risk factors that may affect us is included under the caption "Supplemental Risk Factors" beginning on page S-6 of this prospectus supplement and the risks set forth under the heading "Item 1A. Risk Factors" beginning on page 5 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which we filed with the SEC on February 24, 2012, and which may be updated by us from time to time in Quarterly Reports on Form 10-Q and other public filings.

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PROSPECTUS SUPPLEMENT SUMMARY

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

Company Overview

We are a self-administered and self-managed REIT, which began operations upon completion of our initial public offering in February 1986. In October 1993, we completed an additional common stock offering and acquired the rental real estate and service businesses of Duke Associates, whose operations began in 1972.

As of September 30, 2012, we:

Owned or jointly controlled 759 industrial, office, medical office and other properties, of which 741 properties with approximately 137.3 million square feet are in service and 18 properties with more than 4.7 million square feet are under development. The 741 in-service properties are comprised of 616 consolidated properties with more than 112.0 million square feet and 125 jointly controlled unconsolidated properties with more than 25.2 million square feet. The 18 properties under development consist of 15 consolidated properties with approximately 3.5 million square feet and three jointly controlled unconsolidated properties with more than 1.2 million square feet.

Owned, including through ownership interests in unconsolidated joint ventures, approximately 4,650 acres of land and controlled more than 1,600 acres through purchase options.

A key component of our overall strategy is to increase our investment in quality industrial properties in both existing and select new markets, expand our medical office portfolio nationally to take advantage of demographic trends and to reduce our investment in suburban office properties and other non-strategic assets.

Our headquarters and executive offices are located in Indianapolis, Indiana. In addition, we have 17 regional offices or significant operations in Alexandria, Virginia; Atlanta, Georgia; Baltimore, Maryland; Chicago, Illinois; Cincinnati, Ohio; Columbus, Ohio; Dallas, Texas; Houston, Texas; Minneapolis, Minnesota; Nashville, Tennessee; Orlando, Florida; Phoenix, Arizona; Raleigh, North Carolina; St. Louis, Missouri; Savannah, Georgia; Tampa, Florida; and Weston, Florida. We had more than 800 employees as of September 30, 2012.

Recent Developments

Acquisitions and Dispositions

During the third and fourth quarters, we executed acquisitions aggregating over \$526.0 million in cost, which included the assumption of approximately \$78.0 million in secured debt. The buildings are located in Chicago, Houston, Cincinnati, Northern California and Georgia and total 3.3 million square feet, and were 93% leased at closing. Acquisitions during the quarters consisted of 22 medical office buildings and four industrial buildings.

During the fourth quarter we sold a portfolio of six industrial properties in Indianapolis and one office property in Raleigh, totaling 471,584 square feet, for \$26.0 million. We also entered into an agreement to sell an office building with proceeds anticipated to be approximately \$34.0 million. This transaction is subject to certain closing conditions and is expected to close in the first quarter of 2013. These acquisitions and dispositions are in line with our asset strategy.

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At December 31, 2012, our \$519.0 million development pipeline, including joint ventures at our ownership share, was 73% pre-leased. 89% of the pipeline is built to suit projects. We estimate additions to projects in our development pipeline totaled approximately \$119.0 million during the quarter. We selectively manage the size of our pipeline to be less than 10% of our total asset base.

Financing

During the fourth quarter we repaid loans of \$60.5 million which primarily included \$50.0 million of 5.450% Medium Term Unsecured Notes. We also sold 5,809,034 shares of common stock pursuant to our equity sales program with gross proceeds to us of \$80.7 million. See below Underwriting (Conflicts of Interest) .

The Offering

Common stock offered by us ⁽¹⁾	30,000,000 shares
Common stock outstanding after this offering ⁽¹⁾	4,500,000 shares
Use of Proceeds	We expect to receive net proceeds from the sale of the common stock of approximately \$ million, after deducting underwriting discounts and estimated offering expenses. If the underwriters option to purchase additional shares is exercised in full, our net proceeds from the offering will be approximately \$ million, after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds from this offering to repay outstanding indebtedness, including all or a portion of our outstanding borrowings under our existing revolving credit facility, which had an outstanding balance of \$285.0 million as of December 31, 2012, to redeem all of the outstanding shares of our 8.375% Series O Cumulative Redeemable Preferred Shares (Series O Preferred Shares), which are redeemable as of February 22, 2013, and for general corporate purposes. The underwriters and/or their affiliates act as documentation agent and/or lender under the revolving credit facility. As a result, the underwriters and/or their affiliates may receive more than five percent of the net proceeds of this offering. See Underwriting (Conflicts of Interest).
New York Stock Exchange symbol	DRE

(1) We have granted the underwriters a 30-day option to purchase up to 4,500,000 additional shares of our common stock. Unless otherwise indicated, all amounts in this prospectus supplement assume no exercise of the underwriters option.

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SUPPLEMENTAL RISK FACTORS

Investing in our common stock involves risks. In deciding whether to invest in our common stock, you should carefully consider the following risk factors and the risk factors included in our 2011 Annual Report on Form 10-K, in addition to the other information contained in this prospectus supplement and the accompanying prospectus and the information incorporated by reference herein and therein. The risks and uncertainties described below and in our 2011 Annual Report on Form 10-K are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of these risks occurs, our business, financial condition or results of operations could be materially and adversely affected. In that case, the value of our common stock and your investment could decline.

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

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

The price of our common stock may fluctuate significantly.

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

actual or anticipated variations in our operating results or dividends;

changes in our funds from operations or earnings estimates;

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

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

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

changes in market valuations of similar companies;

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

additions or departures of key management personnel;

actions by institutional shareholders;

speculation in the press or investment community;

the passage of legislation or other regulatory developments that adversely affect us or our industry;

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

general market and economic conditions.

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

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USE OF PROCEEDS

We expect to receive net proceeds from the sale of the common stock of approximately \$ million, after deducting underwriting discounts and estimated offering expenses. If the underwriters' option to purchase additional shares is exercised in full, our net proceeds from the offering will be approximately \$ million, after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds from this offering to repay outstanding indebtedness, including all or a portion of our outstanding borrowings under our existing revolving credit facility, which had an outstanding balance of \$285.0 million as of December 31, 2012, to redeem all of the outstanding shares of our Series O Preferred Shares, which are redeemable as of February 22, 2013, and for general corporate purposes. The underwriters and/or their affiliates act as documentation agent and/or lender under the revolving credit facility. As a result, the underwriters and/or their affiliates may receive more than five percent of the net proceeds of this offering. See Underwriting (Conflicts of Interest).

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ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

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

New Tax Rates for U.S. Individuals, Estates and Trusts

In the accompanying prospectus under the heading "Federal Income Tax Considerations," there are various references to maximum tax rates applicable to U.S. individuals, estates and trusts through the end of 2012, when such reduced rates were scheduled to expire. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, or the 2012 Relief Act, which, among other things, permanently extends most of the reduced rates for U.S. individuals, estates and trusts with respect to ordinary income, qualified dividends and capital gains that had expired on December 31, 2012. The 2012 Relief Act, however, does not extend all of the reduced rates for high-income taxpayers. Beginning January 1, 2013, in the case of married couples filing joint returns with taxable income in excess of \$450,000, heads of households with taxable income in excess of \$425,000 and other individuals with taxable income in excess of \$400,000, the maximum rates on ordinary income will be 39.6% (as compared to 35% prior to 2013) and the maximum rates on long-term capital gains and qualified dividend income will be 20% (as compared to 15% prior to 2013). REIT dividends generally are not treated as qualified dividend income. Estates and trusts have more compressed rate schedules. Prospective shareholders are urged to consult their tax advisors regarding the effect of the new tax rates and other tax provisions in the 2012 Relief Act on an investment in our common stock.

Unearned Income Medicare Tax

Under the Health Care and Education Reconciliation Act of 2010, amending the Patient Protection and Affordable Care Act, high-income U.S. individuals, estates, and trusts will be subject to an additional 3.8% tax on net investment income in tax years beginning after December 31, 2012. For these purposes, net investment income includes dividends and gains from sales of stock. In the case of an individual, the tax will be 3.8% of the lesser of the individual's net investment income or the excess of the individual's modified adjusted gross income over \$250,000 in the case of a married individual filing a joint return or a surviving spouse, \$125,000 in the case of a married individual filing a separate return, or \$200,000 in the case of a single individual. U.S. shareholders that are individuals, estates or trusts should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our common stock.

Recent Changes in U.S. Federal Income Tax Withholding

After December 31, 2013, withholding at a rate of 30% will be required on dividends in respect of, and after December 31, 2016, withholding at a rate of 30% will be required on gross proceeds from the sale of shares of our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury (unless alternative procedures apply pursuant to an applicable intergovernmental agreement between the United States and the relevant foreign government) to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons. Accordingly, the entity through which our shares are held will affect the determination of whether such withholding is required. Similarly, after December 31, 2013, dividends in respect of, and after December 31, 2016, gross proceeds from the sale of, our shares held by an investor that is a non-financial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any substantial U.S. owners or (ii) provides certain information regarding the entity's substantial U.S. owners, which we will in turn provide to the Secretary of the Treasury. Non-U.S. shareholders are encouraged to consult with their tax advisers regarding the possible implications of these rules on their investment in our common stock.

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Under the terms and subject to the conditions contained in the terms agreement and the underwriting agreement attached as Annex A thereto, which are collectively referred to herein as the underwriting agreement, dated the date of this prospectus supplement, the underwriters named below, for whom Morgan Stanley & Co. LLC and UBS Securities LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
UBS Securities LLC	
Total:	

The underwriters and the representatives are collectively referred to as the underwriters and the representatives, respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus supplement if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus supplement and part to certain dealers. After the offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 4,500,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus supplement, less underwriting discounts. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 4,500,000 shares of common stock.

	Per Share	No Exercise	Total Full Exercise
Public offering price	\$	\$	\$
Underwriting discounts to be paid by us	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

The estimated offering expenses payable by us, exclusive of the underwriting discounts, are approximately \$350,000.00.

We and our Operating Partnership have agreed with Morgan Stanley & Co. LLC and UBS Securities LLC that, subject to certain limited exceptions, without their prior written consent, we and our Operating Partnership will not directly or indirectly, during the period commencing on the date hereof and ending 45 days after the date hereof, sell, offer to sell, grant any option for the sale of, enter into any agreement to sell, or otherwise dispose of any shares of our common stock. Furthermore, our executive officers, our principal accounting officer and each of our directors have agreed that without the prior written consent of Morgan Stanley & Co. LLC and UBS Securities LLC, they will not directly or indirectly, during the period commencing on the date hereof and ending 45 days after the date hereof (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or

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indirectly, any common stock or any securities convertible into or exercisable or exchangeable for common stock, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to, the registration of any common stock or any security convertible into or exercisable or exchangeable for common stock. The foregoing sentence does not apply, however, to (1) transactions relating to shares of common stock or other securities acquired in open market transactions after the completion of this offering, *provided* that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of common stock or other securities acquired in such open market transactions, (2) transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock as a bona fide gift or (3) distributions of common stock or any security convertible into or exercisable or exchangeable for common stock to limited partners or shareholders, *provided* that in the case of any transfer or distribution pursuant to clause (2) or (3), (i) each donee or distributee shall sign and deliver a lock-up letter substantially in the form attached to the underwriting agreement and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period referred to in the foregoing sentence. Morgan Stanley & Co. LLC and UBS Securities LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option. The underwriters can close out a covered short sale by exercising the option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option. The underwriters may also sell shares in excess of the option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

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

A prospectus supplement in electronic format may be made available on websites maintained by one or more underwriters participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make Internet distributions on the same basis as other allocations.

Conflicts of Interest

From time to time, the underwriters and certain of their affiliates have engaged, and may in the future engage, in transactions with, and perform investment banking and/or commercial banking services for, us and our affiliates in the ordinary course of business and have received, and may in the future receive, compensation for their services. In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and instruments of ours or our affiliates. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters

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and their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the shares offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the shares offered hereby. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

In September 2012, each of Morgan Stanley & Co. LLC and UBS Securities LLC acted as a joint book-running manager in connection with the offering of \$300 million of our Operating Partnership's 3.875% Senior Notes Due 2022 and received an underwriting discount related thereto. In addition, each of Morgan Stanley & Co. LLC and UBS Securities LLC is a sales agent for our equity sales program pursuant to which we may issue and sell up to \$200,000,000 in shares of common stock from time to time.

As described above under Use of Proceeds, we intend to use the net proceeds from this offering to reduce our outstanding indebtedness, including all or a portion of our outstanding borrowings under our existing revolving credit facility, and to redeem all of the outstanding shares of our Series O Preferred Shares. Morgan Stanley Bank, N.A., an affiliate of Morgan Stanley & Co. LLC, and UBS Securities LLC are documentation agents, and UBS AG, Stamford Branch, an affiliate of UBS Securities LLC, is a lender under the revolving credit facility. Additionally, UBS Securities LLC owns approximately 22,849 Series O Preferred Shares, which we intend to redeem with the net proceeds from this offering. As a result, the underwriters and/or their affiliates may receive a portion of the net proceeds of this offering and the amount received by them may exceed 5% of the net proceeds of this offering (not including the underwriting discounts). Nonetheless, in accordance with FINRA Rule 5121, the appointment of a qualified independent underwriter is not necessary in connection with this offering because, under FINRA Rule 5121, REITs are excluded from that requirement.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

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United Kingdom

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Switzerland

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

Australia

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

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

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

Hong Kong

Our shares of common stock may not be offered or sold in Hong Kong, by means of this prospectus supplement or any document other than (i) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, (ii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong),

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

Japan

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

Singapore

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

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

- (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) for a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
shares of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA, except:
 - (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

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(2) where no consideration is given for the transfer; or

(3) where the transfer is by operation of law.

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

LEGAL MATTERS

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

EXPERTS

The consolidated financial statements and related schedules of Duke Realty Corporation and of Duke Realty Limited Partnership as of December 31, 2011 and 2010, and for each of the years in the three-year period ended December 31, 2011 and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2011, have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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PROSPECTUS

DUKE REALTY CORPORATION