DCT Industrial Trust Inc.
Form S-11/A
November 30, 2006

As filed with the Securities and Exchange Commission on November 30, 2006

Registration No. 333-138094

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-11

FOR REGISTRATION UNDER

THE SECURITIES ACT OF 1933

OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

DCT INDUSTRIAL TRUST INC.

(Exact Name of Registrant as Specified in Its Governing Instruments)

518 Seventeenth Street, Suite 1700

Denver, Colorado 80202

Telephone (303) 597-2400

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Philip L. Hawkins

Chief Executive Officer

518 Seventeenth Street, Suite 1700

Denver, Colorado 80202

Telephone (303) 597-2400

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With copies to:

Larry P. Medvinsky, Esq.

Clifford Chance US LLP

31 West 52nd Street

New York, New York 10019

Gilbert G. Menna, Esq.

Ettore A. Santucci, Esq.

Goodwin Procter LLP

Exchange Place, 53 State Street

Boston, Massachusetts 02109

Approximate date of commencement of proposed sale to the public:

As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of this prospectus is expected to be made pursuant to Rule 434, check the following box. ¨

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Proposed Maximum Aggregate Offering Price[(1)]	Amount of Registration Fee[(2)]
Common Stock, $0.01 par value per share	$215,625,000	$23,072

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) A registration fee of $18,725 was paid with the initial filing of this registration statement based on an initial proposed maximum aggregate offering price of $175,000,000. A fee of $4,347 is being paid with this Amendment No. 1 to increase the proposed maximum aggregate offering price from $175,000,000 to $215,625,000.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated November 30, 2006

PROSPECTUS

15,000,000 Shares

Common Stock

DCT Industrial Trust Inc. is a leading real estate company specializing in the ownership, acquisition, development and management of bulk distribution and light industrial properties located in 23 of the highest volume distribution markets in the United States. In addition, we manage, and own interests in, industrial properties through our institutional capital management program.

We are offering 15,000,000 shares of our common stock and expect the public offering price to be between $11.50 and $12.50 per share. We have applied to have our common stock listed on the New York Stock Exchange under the symbol DCT. Between 2002 and 2006, we raised equity capital primarily through four consecutive continuous public offerings of our common stock for aggregate gross proceeds of approximately $1.6 billion, including shares issued pursuant to our distribution reinvestment plan. As of November 27, 2006, there were 152,054,638 shares of common stock issued and outstanding owned by approximately 36,000 stockholders. Currently, no public market exists for our shares and therefore this will be our first listed public offering.

We are a Maryland corporation and have elected to be treated as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2003. Our charter contains a restriction on ownership of the common stock that prevents any person or entity from owning directly or indirectly more than 9.8% of the outstanding shares of any class or series of our stock, by number or value, whichever is more restrictive, subject to certain possible exceptions. These restrictions, as well as other share ownership and transfer restrictions contained in our charter, are designed to enable us to comply with share accumulation and other restrictions imposed on REITs by the Internal Revenue Code. For a more complete description of the common stock, including restrictions on the ownership of common stock, please see the Description of Capital Stock section of this prospectus.

Investing in our common stock involves risks. Before buying any shares, you should carefully consider the risk factors described in Risk Factors beginning on page 25.

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

The underwriters may also purchase up to an additional 2,250,000 shares of common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus solely to cover overallotments.

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

The underwriters expect to deliver the shares to purchasers on or about December , 2006.

Merrill Lynch & Co. **Wachovia Securities**

Banc of America Securities LLC

JPMorgan

Morgan Keegan & Company, Inc.

Wells Fargo Securities

The date of this prospectus is November 30, 2006

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You should rely on the information contained in this prospectus. Neither we nor the underwriters have authorized anyone to provide you with different information. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

We use market data and industry forecasts and projections throughout this prospectus. We have obtained substantially all of this information from CoStar Group, Inc., or CoStar, a nationally recognized real estate consulting firm, and Property and Portfolio Research, Inc., or PPR, a nationally recognized real estate consulting firm. In addition, we have obtained certain market and industry data from publicly available industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on industry surveys and the preparers experience in the industry, and there is no assurance that any of the projected amounts will be achieved. We believe that the surveys and market research others have performed are reliable, but we have not independently verified this information.

The term fully-diluted basis when used in reference to our shares of common stock means all outstanding shares of common stock at such time plus all outstanding shares of restricted stock, phantom shares, shares of common stock issuable upon the exercise of outstanding options that have vested and shares of common stock exchangeable, at our discretion, for common units of limited partnership interest in our operating partnership, or OP units, on a one-for-one basis, including OP units issuable upon conversion of LTIP units in our operating partnership, which is not the same as the meaning of fully-diluted under generally accepted accounting principles, or GAAP. In addition, pro forma or on a pro forma basis means that the information presented gives effect to this offering, as well as the internalization transaction and certain property acquisitions (each as described herein under Selected Consolidated Financial and Pro Forma Data), in each case as if such transactions had occurred on January 1, 2005.

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any document that we file at the public reference facilities of the SEC at 100 F Street, N.E., Washington, D.C. 25049. Please call the SEC at (800) SEC-0330 for further information about the public reference facilities. These documents also may be accessed through the SEC s electronic data gathering, analysis and retrieval system, or EDGAR, via electronic means, including the SEC s home page on the Internet (*www.sec.gov*).

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PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our company, including under the caption Risk Factors, and our historical and pro forma consolidated financial statements and related notes appearing elsewhere in this prospectus for a more complete understanding of this offering before deciding to invest in our common stock. Except where the context suggests otherwise, the terms we, us, our and our company refer to DCT Industrial Trust Inc. (f/k/a Dividend Capital Trust Inc.) together with its subsidiaries, including DCT Industrial Operating Partnership LP (f/k/a Dividend Capital Operating Partnership LP), which we refer to as our operating partnership. Unless otherwise indicated, the information in this prospectus assumes and reflects: (i) the effectiveness of our third articles of amendment and restatement, or our charter, and our amended and restated bylaws, or our bylaws, upon the completion of this offering; (ii) the common stock to be sold in this offering is sold at $12.00 per share, which is the mid-point of the range of prices indicated on the front cover of this prospectus; and (iii) no exercise by the underwriters, for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wachovia Capital Markets, LLC are acting as representatives, of their option to purchase up to an additional 2,250,000 shares of our common stock solely to cover overallotments, if any.

DCT Industrial Trust Inc.

Overview

We are a leading real estate company specializing in the ownership, acquisition, development and management of bulk distribution and light industrial properties located in 23 of the highest volume distribution markets in the United States. In addition, we manage, and own interests in, industrial properties through our institutional capital management program. Our properties primarily consist of high-quality, generic bulk distribution warehouses and light industrial properties. The properties we target for acquisition or development are generally characterized by convenient access to major transportation arteries, proximity to densely populated markets and quality design standards that allow for easy reconfiguration of space. In the future, we intend to continue to focus on properties that exhibit these characteristics, to expand our operations into other target markets in the United States and to add additional properties in our existing markets as well as acquire and develop properties in selected international markets, including Mexico, where we believe we can achieve favorable returns and leverage our management expertise. We have elected to be treated as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2003.

As of September 30, 2006, we owned interests in 388 industrial real estate buildings consisting of 233 bulk distribution properties, 113 light industrial properties and 42 service center or flex properties totaling 60.4 million rentable square feet. Our portfolio of consolidated operating properties consists of interests in 374 industrial properties totaling 55.0 million rentable square feet that were 92.9% occupied as of September 30, 2006. In addition, as of September 30, 2006, we had majority interests in four consolidated development properties, a 20% interest in six unconsolidated properties in an institutional joint venture and investments in four development joint venture properties. We currently own approximately 115 acres of land as well as options to acquire approximately 75 acres of land that we believe can support, in the aggregate, approximately 2.8 million rentable square feet of new industrial development. Additionally, through our recently established SCLA joint venture described herein, we control up to 4,350 acres of land located in the Inland Empire submarket of the Southern California industrial real estate market through master development agreements with a term of up to 13 years. Phase one of the SCLA project involves 344 acres we plan to acquire in 2006 that we believe can accommodate up to 6.5 million rentable square feet of industrial development. We anticipate starting construction of between 1.5 million and 2.0 million rentable square feet within the next 12 to 18 months.

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We have a stable, broadly diversified tenant base. As of September 30, 2006, we had approximately 769 tenants with no single tenant accounting for more than 2.2% of our annualized base rents. Our ten largest tenants occupy 16.0% of our leased portfolio, including our pro rata interest of our joint ventures. We intend to maintain a well-diversified mix of creditworthy tenants to limit our exposure to any single tenant or industry. We believe that our broad national presence in 23 of the top U.S. distribution and logistics markets is attractive to large users of distribution space and allows us to build strong relationships with our tenants. Furthermore, we are actively engaged in meeting our tenants expansion, consolidation and relocation requirements. In 2006, we have completed or begun development of over 1.2 million rentable square feet of expansions of bulk distribution facilities for certain of our tenants.

Our primary business objectives are to maximize sustainable long-term growth in earnings and funds from operations, or FFO, and to maximize total return to our stockholders. In our pursuit of these objectives, we will:

- acquire high-quality industrial properties;
- pursue development opportunities, including through joint ventures;
- expand our institutional capital management business;
- actively manage our existing portfolio to maximize operating cash flows;
- sell non-core assets that no longer fit our investment criteria; and
- expand our operations into selected domestic and international markets, including Mexico.

Our executive management team possesses substantial expertise in all aspects of industrial real estate management, marketing, leasing, acquisition, development and finance. Tom Wattles, one of our company s co-founders and our Executive Chairman, has been actively involved in the real estate business since 1978. Phil Hawkins, our Chief Executive Officer, has extensive public REIT operating experience and 24 years of commercial real estate experience. Jim Cochran, our President and Chief Investment Officer, joined our company in 2004 and has been involved in the industrial real estate sector for over 20 years. Stuart Brown, our Chief Financial Officer, has 17 years of public company accounting and capital markets experience, including most recently three years of public REIT experience. As of November 27, 2006, we employed 64 individuals. Upon completion of this offering, our officers and directors will beneficially own approximately 2.8% of our shares of common stock on a fully-diluted basis.

Our principal executive office is located at 518 Seventeenth Street, Suite 1700, Denver, Colorado 80202; our telephone number is (303) 597-2400. We also maintain regional offices in Dallas, Texas and Atlanta, Georgia. Our website address is *www.dctindustrial.com*. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this prospectus or any other report or document we file with or furnish to the SEC.

Our Competitive Strengths

We believe that we distinguish ourselves from other owners, operators, acquirers and developers of industrial properties through the following competitive strengths:

- **High-Quality Industrial Property Portfolio**. Our portfolio of industrial properties primarily consists of high-quality bulk distribution facilities specifically designed to meet the needs of our distribution tenants. Approximately 87.4% of our portfolio based on rentable square footage is comprised of bulk distribution properties while approximately 10.2% of our portfolio is comprised of light industrial properties. The majority of our properties are specifically designed for use by major

distribution and third-party logistics tenants and are readily divisible to meet re-tenanting opportunities. We believe that our concentration of high-quality bulk distribution properties provides us with a competitive advantage in attracting and retaining distribution users and tenants across the major and regional markets in which we operate.

Proven Acquisition Capabilities. Beginning with our first acquisition in June 2003, we have completed approximately $2.9 billion in industrial real estate acquisitions. Excluding our three major portfolio acquisitions that were each in excess of $200 million, our average acquisition transaction cost was approximately $22.4 million, which demonstrates our ability to access a steady pipeline of smaller acquisitions. Our acquisition capability is driven by our extensive network of industry relationships within the brokerage, development and investor community. Approximately 59% of the acquisitions we completed, based on total purchase price, have been sourced in off-market transactions where there has been no formal sales process.

Focused Development Strategy. Our extensive network of industry relationships has provided us with a consistent source of development opportunities. Most of our development projects have taken the form of partnerships or fee for service relationships with leading local, regional or national developers. In our development partnerships, we may control the tenant relationship or the land, and we typically provide the majority of the equity capital. These partnerships are structured to provide us with attractive returns while aligning our interests with those of our development partner. We believe these structures allow us to operate more efficiently and with greater flexibility than if we were to maintain an internal development infrastructure.

Experienced and Committed Management Team. Our executive management team, including our Executive Chairman, collectively has an average of over 17 years commercial real estate experience and an average of over ten years focused on the industrial real estate sector. Additionally, our executive management team has extensive public company operating experience with all of our senior executives having held senior positions at publicly-traded REITs for an average of over ten years. Upon completion of this offering, our executive management team is expected to collectively own an approximate 1.8% equity interest in our company on a fully-diluted basis, which aligns executive management s interests with those of our stockholders.

Strong Industry Relationships. We believe that our extensive network of industry relationships with the brokerage, development and investor communities will allow us to execute successfully our acquisition and development growth strategies and our institutional capital management strategy. These relationships augment our ability to source acquisitions in off-market transactions outside of competitive marketing processes, capitalize on development opportunities and capture repeat business and transaction activity. Beginning with our first acquisition in June 2003, approximately 58% of our acquisitions, based on total purchase price, have been purchases from sellers with whom we have had repeat business and transaction activities. Our strong relationship with the tenant and leasing brokerage communities aids in attracting and retaining tenants. Additionally, we believe that our relationship with Black Creek Capital, LLC, or Black Creek, a Denver based real estate investment firm and an affiliate of our former advisor, provides us with unique investment opportunities and will assist us in our international growth strategy, particularly our strategy to acquire and develop industrial real estate assets in Mexico. Our Executive Chairman, Tom Wattles, and one of our directors, James Mulvihill, are principals of Black Creek.

Access to Institutional Co-Investment Capital. Our senior management team has broad long-term relationships within the institutional investor community that provide access to capital for both traditional joint ventures and funds or other commingled investment vehicles. These institutions include domestic pension plans, insurance companies, private trusts and international investors. We believe these relationships allow us to identify pockets of institutional demand and appropriately match institutional capital with investment opportunities in our target markets to maximize returns for our stockholders.

Growth Oriented Capital Structure. Our capital structure provides us with significant financial capacity to fund future growth. As of September 30, 2006, our pro forma debt to total market capitalization ratio would have been 33.8%, assuming a price per share in this offering at the mid-point of the range set forth on the cover page of this prospectus. On a pro forma basis, as of September 30, 2006, and giving effect to the use of proceeds as set forth under Use of Proceeds, we will have $172.7 million available under our $250.0 million senior unsecured revolving credit facility, assuming that this offering prices at the mid-point of the range of prices set forth on the cover page of this prospectus. As of the consummation of this offering, 178 of our properties with a gross book value of $1.3 billion will be unencumbered.

Business and Growth Strategies

Our primary business objectives are to maximize sustainable long-term growth in earnings and FFO and to maximize total return to our stockholders. The strategies we intend to execute to achieve these objectives include:

Capitalizing on Acquisition Opportunities. We intend to continue to expand our portfolio through the acquisition of high-quality industrial properties in our target markets, which include our existing markets as well as selected new domestic and international markets, including Mexico. We will generally acquire high-quality bulk distribution and light industrial facilities and/or industrial assets located in irreplaceable locations where we believe there are significant growth and/or return opportunities. We intend to continue to focus on off-market acquisition opportunities through our extensive network of industry relationships in the brokerage, development and investor community and by utilizing our experience in identifying, evaluating and acquiring industrial properties in both single asset and portfolio transactions.

Continuing to Grow Our Development Pipeline. We intend to utilize our strong relationships with leading local, regional and national developers to continue to grow our development pipeline. We believe that development, redevelopment and expansion of well-located, high-quality industrial properties should continue to provide us with attractive risk-adjusted returns. Furthermore, we believe that our control of a substantial inventory of developable land and extensive relationships with industrial tenants will make us an attractive strategic partner for established national, regional and local developers in our markets.

Expanding Our Institutional Capital Management Platform. We believe that joint ventures, funds or other commingled investment vehicles with institutional partners will enable us to increase our overall return on invested capital, augment our acquisition activity and penetration of new markets and increase our access to capital for continued growth. We intend to continue to co-invest in properties with institutional investors through partnerships, limited liability companies or other joint venture structures. Typically we will own a 10% 30% interest in these joint ventures and seek to earn transaction-based fees and asset management fees as well as promoted interests or incentive distributions based on the performance of the joint venture.

Maximizing Cash Flows From Existing Properties. We intend to maximize the cash flows from our existing properties by increasing rents, increasing occupancy levels, managing operating expenses and expanding and improving our properties. As of September 30, 2006, our consolidated operating portfolio was 92.9% occupied leaving approximately 3.9 million square feet of rentable space available for lease-up. Additionally, we believe there is embedded rent growth potential in our properties. As of September 30, 2006, on a weighted-average portfolio basis, the in-place rents of our

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consolidated properties were $3.94 per rentable square foot, or approximately 3.0% below the weighted-average market rents for our properties on a rentable square foot basis. Further, based on expiring leases which were re-leased to new or existing tenants, our average rental rate growth per rentable square foot for the nine months ended September 30, 2006 was 5.7% and our weighted average retention during such period was 82.6%.

Recycling Capital Efficiently. We intend to selectively sell non-core assets in order to maximize total return to our stockholders by redeploying asset sales proceeds into new acquisition and development opportunities. We believe industrial real estate assets are in strong demand from institutional investors and we will seek to selectively identify asset sale opportunities in order to achieve our total return objectives.

Pursuing International Growth Opportunities. We intend to seek international growth opportunities through the acquisition and development of industrial properties in selected new international markets, including Mexico. This strategy will focus on addressing the needs of both international and local corporations as they seek to expand and reconfigure their industrial distribution facilities. We believe that there are significant growth opportunities in Mexico, where members of our senior management and directors have significant experience in the acquisition and development of commercial properties. Consistent with this strategy, we recently entered into forward purchase commitments to acquire six industrial facilities in Monterrey, Mexico.

Background

We were founded in 2002 by Black Creek as an externally-advised REIT to focus on the acquisition, development and operation of bulk distribution and light industrial properties located in major distribution and logistics markets in the United States. Our day-to-day business and operations were managed by Dividend Capital Advisors LLC, our former advisor and an affiliate of Black Creek, under the supervision of our board of directors until October 10, 2006, when we completed the internalization transaction with our former advisor described herein, which we refer to as the Internalization. We are now a self-administered and self-advised REIT.

Between 2002 and 2006 we raised equity capital to finance our real estate investment activities primarily through four consecutive continuous public offerings of our common stock for aggregate gross proceeds of approximately $1.6 billion, including shares issued pursuant to our distribution reinvestment plan. Accordingly, we have been filing periodic reports with, and have been subject to the rules and regulations of, the SEC since July 2002. Upon consummation of this offering, our common stock will become listed on the New York Stock Exchange, or NYSE. As of November 27, 2006, there are 152,054,638 shares of our common stock issued and outstanding owned by approximately 36,000 stockholders.

In addition, since 2003 we have raised an aggregate of approximately $299.3 million through our operating partnership s private placement of undivided tenancy-in-common interests, or TIC Interests, in our properties. These TIC Interests served as replacement properties for investors seeking to complete like-kind exchange transactions under Section 1031 of the Internal Revenue Code of 1986, as amended, or the Code, and were 100% leased by our operating partnership pursuant to master leases. The leases contained purchase options whereby our operating partnership had the right, but not the obligation, to acquire the TIC Interests from the investors at a later point in time in exchange for OP units. On October 10, 2006, we discontinued our operating partnership s private placement.

During the period that began January 1, 2006 and ended November 16, 2006, our operating partnership exercised purchase options pursuant to 11 individual master lease agreements to buy certain TIC Interests it had previously sold in 11 industrial properties located in Atlanta, Houston, Indianapolis, Louisville, Phoenix and Southern California. In connection with the exercise of these options, our operating partnership issued an aggregate of approximately 6.9 million OP units valued at approximately $73.1 million to acquire such TIC Interests.

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As of the date of this prospectus, our operating partnership has options to purchase 209 TIC Interests in 23 properties. In early October 2006, our operating partnership provided notice of exercise of its purchase options to the holders of these TIC Interests. However, for the exercise to have been effective for each of these 23 properties, all of the TIC Interest holders in such property had to consent to amend the related master lease. The amendment fixed the number of OP units to be paid and accelerated the date of closing of the purchase of the TIC Interests in each property to the earlier of: (1) a date selected by our operating partnership that was within 60 days after the completion of this offering; or (2) a date selected by our operating partnership that was within the stipulated closing period in the original master lease. The fixed purchase price for the TIC Interests was determined based on the value of the underlying real estate asset and the price per OP unit paid in the Internalization. Our operating partnership received unanimous consents to amend the master leases related to 14 of these 23 properties, which gives our operating partnership the right to purchase all remaining TIC Interests in these 14 properties for an aggregate of 6.8 million OP units valued at approximately $76.9 million during the accelerated closing period. Our operating partnership did not receive unanimous consents for the nine remaining properties, which would have given our operating partnership the right to purchase all remaining TIC Interests in these nine properties for an aggregate of 8.6 million OP units valued at approximately $96.5 million. Therefore, these nine properties will continue to be subject to our operating partnership s purchase options under the terms of the original master leases. The closing periods for the purchase options relating to these nine remaining properties begin on March 31, 2007 and end on February 29, 2008.

Excluding financing obligations related to our operating partnership s private placement, as of September 30, 2006, we had total outstanding debt of approximately $1.2 billion consisting primarily of unsecured debt and secured, fixed-rate, non-recourse mortgage notes.

Industrial Market Overview

The industrial real estate market in the United States consists of approximately 12.7 billion square feet of rentable building area as of September 30, 2006 according to CoStar. Of this total, approximately 11.2 billion square feet is warehouse space, which consists of bulk distribution and light industrial properties, and approximately 1.5 billion is flex space. Warehouse properties, which represent the substantial majority of our assets, are characterized by their generic design and are generally leased to regional or national distribution tenants or tenants engaged in light manufacturing activities and are rented on a triple-net-lease basis. In contrast, flex space typically has been designed or configured to a specialized use such as research and development, with comparatively higher re-tenanting costs as compared to warehouse properties due to higher office finish.

We believe that the industrial real estate industry exhibits a number of positive characteristics, including:

- Short development lead times;
- Low vacancy volatility;
- Modest re-tenanting costs;
- Comparatively modest maintenance costs; and
- Triple-net leases.

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Summary Risk Factors

You should carefully consider the matters discussed in the section Risk Factors beginning on page 25, including the following, before you invest in our stock:

Our investments in real estate assets are primarily concentrated in the industrial real estate sector, and our business would be adversely affected by an economic downturn in that sector.

Our growth will partially depend upon our ability to successfully acquire and develop future properties, and we may be unable to enter into and consummate acquisitions or development projects on advantageous terms or acquisitions or development projects may not perform as we expect.

We depend on key personnel, including Tom Wattles, Phil Hawkins, Jim Cochran, Stuart Brown, Daryl Mechem, Matt Murphy and Michael Ruen, and the loss of services from key members of the management group or a limitation in their availability could adversely affect us.

Our acquisition and development activities, as well as our institutional capital management business, are largely dependent on external capital, and our operating results and financial condition could be adversely affected if we do not continue to have access to capital on favorable terms.

We intend to continue to acquire and develop certain properties through joint ventures with third parties, and our joint venture partners could default on their obligations, cause us to be liable for their actions under certain circumstances or take other actions contrary to our business and economic interests and goals or that could otherwise negatively impact our performance.

Your investment in us may be subject to additional risks if we make international investments as a result of factors peculiar to the laws and business practices of the jurisdictions in which the properties are located.

Our net income per share and FFO per share in the near term may decrease as a result of the Internalization in connection with the one-time, non-recurring non-cash charge to earnings we will incur for the portion of the Internalization consideration that is allocated as the cost for terminating our advisory agreement with our former advisor.

We are structured as an umbrella partnership REIT, or UPREIT, which means that we own our properties through our operating partnership and its subsidiaries. Our UPREIT structure may result in potential conflicts of interest. Upon the consummation of this offering, we will own 87.6% of the OP units in our operating partnership, and circumstances may arise in the future when the interests of the other limited partners in our operating partnership may conflict with the interests of our stockholders.

We are dependent on tenants for our revenues, and defaults by our tenants, as a result of bankruptcy, insolvency or otherwise, could cause us to reduce the amount of distributions to stockholders. In addition, our ability to renew leases or re-lease space on favorable terms as leases expire significantly affects our business. Furthermore, a property that incurs a vacancy could be difficult to sell or re-lease.

Uninsured losses, including losses from floods, earthquakes, acts of war, acts of terrorism or riots, relating to real property may adversely affect your returns. Similarly, contingent or unknown liabilities with respect to our properties, including environmentally hazardous conditions, could adversely affect our financial condition.

Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur, and our operating results and financial condition could be adversely affected if we are unable to make required principal and interest payments on our outstanding indebtedness, comply with the other covenants contained in our indebtedness or refinance our indebtedness at maturity on favorable terms.

Our charter and Maryland law contain provisions that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

We may change our investment and financing strategies and enter into new lines of business without stockholder consent, which may result in our making investments and engaging in business activities that are different from, and possibly riskier than, the investments and businesses described in this prospectus.

As of November 27, 2006, we had 152,054,638 million shares of common stock issued and outstanding, all of which are freely tradable and substantially all of which are not subject to any volume limitations on trading under the federal securities laws, and neither we nor any third party have any control over the timing or volume of the potential sale of these shares. Prior to this offering, the shares were not listed on any national exchange, and the ability of stockholders to liquidate their investments was limited. Subsequent to the completion of this offering and our listing on the NYSE, a large volume of sales of these shares, or the perception that such sales could occur, could decrease the prevailing market prices of our common stock and could impair our ability to raise additional capital through the sale of equity securities in the future.

We may have difficulty funding our distributions with our available cash flows and our distributions to stockholders may change depending on a number of factors.

Our qualification as a REIT will depend on our satisfaction of numerous requirements established under highly technical and complex provisions of the Code and our failure to so qualify could adversely affect our operations and our ability to make distributions.

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Our Properties

The following tables present an overview of our existing portfolio of industrial properties sorted by our target markets based on information as of September 30, 2006 (dollar amounts in thousands).

Consolidated Properties

Markets	Number of Buildings	Percent Owned[1]	Rentable Square Feet	Percentage of Total Rentable Square Feet	Occupancy Percentage[2]	Annualized Base Rent[3]	Percentage of Total Annualized Base Rent[3]	Number of Leases	Annualized Base Rent per Square Foot[4]
Target Markets									
Atlanta	56	100.0%	6,550,271	11.9%	92.6%	$ 20,768	10.3%	118	$ 3.42
Baltimore/ Washington D.C.	13	100.0%	1,585,087	2.9%	90.7%	8,730	4.3%	30	6.07
Central Pennsylvania	6	100.0%	1,402,580	2.5%	100.0%	5,602	2.8%	9	3.99
Charlotte	11	100.0%	1,477,548	2.7%	80.1%	3,935	2.0%	20	3.33
Chicago	14	100.0%	2,877,988	5.2%	94.6%	10,239	5.1%	20	3.76
Cincinnati	39	100.0%	4,982,215	9.1%	88.3%	15,737	7.8%	93	3.58
Columbus	15	100.0%	4,401,788	8.0%	94.8%	13,025	6.5%	30	3.12
Dallas[5]	54	100.0%	6,810,543	12.4%	90.7%	23,464	11.6%	144	3.80
Denver	1	100.0%	160,232	0.3%	100.0%	903	0.5%	7	5.64
Houston	34	100.0%	2,452,711	4.5%	88.6%	10,994	5.5%	85	5.06
Indianapolis	8	100.0%	3,326,864	6.0%	95.5%	9,355	4.6%	19	2.95
Louisville	2	100.0%	521,000	0.9%	100.0%	1,706	0.8%	3	3.27
Memphis	10	100.0%	4,333,018	7.9%	94.1%	12,350	6.1%	14	3.03
Miami	6	100.0%	727,461	1.3%	92.4%	5,155	2.6%	18	7.67
Minneapolis	6	100.0%	828,466	1.5%	100.0%	3,943	2.0%	13	4.76
Nashville	5	100.0%	2,712,373	4.9%	91.7%	7,680	3.8%	6	3.09
New Jersey	10	100.0%	1,189,553	2.2%	96.2%	6,328	3.1%	28	5.53
Northern California	29	100.0%	2,410,960	4.4%	96.2%	12,708	6.3%	59	5.48
Orlando	12	100.0%	1,226,231	2.2%	95.2%	5,056	2.5%	35	4.33
Phoenix	15	100.0%	1,734,052	3.2%	95.3%	7,343	3.6%	30	4.44
San Antonio	2	100.0%	172,050	0.3%	86.9%	585	0.3%	5	3.91
Seattle	8	100.0%	1,198,617	2.2%	96.5%	5,465	2.7%	15	4.73
Southern California	12	100.0%	1,391,534	2.5%	99.8%	7,462	3.7%	27	5.37
Subtotal/Weighted Average[6]	368	100.0%	54,473,142	99.0%	92.9%	$ 198,533	98.5%	828	$ 3.92
Discontinued Operations									
Boston	6	100.0%	567,441	1.0%	85.8%	3,054	1.5%	11	6.28
Total/Weighted Average Operating Properties	**374**	**100.0%**	**55,040,583**	**100.0%**	**92.9%**	**$ 201,587**	**100.0%**	**839**	**$ 3.94**
Consolidated Properties Under Development									
Atlanta	2	100.0%	688,067	65.4%	4.6%	$ 131	32.4%	1	$ 4.15
Chicago	2	97.6%	364,472	34.6%	17.1%	274	67.6%	1	4.40
Subtotal/Weighted Average	4	99.2%	1,052,539	100.0%	8.9%	$ 405	100.0%	2	$ 4.32
Total/Weighted Average Consolidated Properties	**378**[7]	**100.0%**	**56,093,122**	**N/A**	**91.3%**	**$ 201,992**	**N/A**	**841**	**$ 3.94**

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Unconsolidated Properties

Markets	Number of Buildings	Percent Owned(1)	Rentable Square Feet	Percentage of Total Rentable Square Feet	Occupancy Percentage(2)	Annualized Base Rent(3)	Percentage of Total Annualized Base Rent(3)	Number of Leases	Annualized Base Rent per Square Foot(4)
Fund Properties									
Atlanta	1	20.0%	577,500	21.8%	100.0%	$ 1,460	17.2%	2	$ 2.53
Central Pennsylvania	1	20.0%	100,000	3.8%	100.0%	403	4.8%	1	4.03
Chicago	1	20.0%	303,192	11.5%	100.0%	1,491	17.6%	2	4.92
Dallas	1	20.0%	540,000	20.4%	100.0%	1,638	19.3%	1	3.03
Memphis	1	20.0%	1,039,000	39.2%	100.0%	2,857	33.7%	2	2.75
New Jersey	1	20.0%	87,500	3.3%	100.0%	630	7.4%	1	7.20
	6	20.0%	2,647,192	100.0%	100.0%	$ 8,479	100.0%	9	$ 3.20
Unconsolidated Properties Under Development									
Atlanta	1	97.1%	556,800	33.9%	0.0%				
Nashville	1	95.0%	570,000	34.8%	0.0%				
Southern California(8)	2	91.1%	514,463	31.3%	0.0%				
	4	94.2%	1,641,263	100.0%	0.0%				
Total/Weighted Average Unconsolidated Properties	**10(7)**	**48.5%**	**4,288,455**	**N/A**	**61.7%**	**$ 8,479**	**N/A**	**9**	**$ 3.20**

(1) Weighted average ownership is based on rentable square feet.

(2) Based on leases signed as of September 30, 2006 and calculated as rentable square feet less available square feet divided by rentable square feet.

(3) Annualized Base Rent is calculated as monthly contractual base rent (cash basis) per the terms of the lease, as of September 30, 2006, multiplied by 12.

(4) Calculated as Annualized Base Rent divided by rentable square feet under lease as of September 30, 2006.

(5) Three of our buildings in this market totaling approximately 743,000 rentable square feet are under ground leases.

(6) As described in more detail below, six properties have been sold to DCTRT during the fourth quarter of 2006. (See Significant Transactions Institutional Joint Ventures DCTRT Joint Ventures.)

(7) Occasionally our leases contain provisions giving the tenant rights to purchase the property, which can take the form of a fixed price purchase option, a fair market value option, a right of first refusal option or a right of first offer option. The following chart summarizes such rights as of September 30, 2006:

	Number of Leases	Rentable Square Feet	Annualized Base Rent (000s)(3)
Fixed Price Purchase Options	6	2,516,034	$ 7,965
Fair Market Value Options	3	282,986	$ 1,323
Right of First Refusal Options	5	874,068	$ 2,661
Right of First Offer Options	4	873,904	$ 3,292

(8) Includes one vacant 55,000 rentable square foot building that is not currently under development that was recently acquired in connection with the SCLA transaction.

Significant Transactions

Advisor Internalization

On October 10, 2006, pursuant to a contribution agreement, our operating partnership acquired our former affiliated external advisor, Dividend Capital Advisors LLC, or our former advisor, from Dividend Capital Advisors Group LLC, the parent company of our former advisor, or DCAG, for an aggregate of 15,111,111 OP units, which included the modification of a special series of units, or the special units, of limited partnership interest in our operating partnership held by DCAG into 7,111,111 OP units. We refer to this transaction as the

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Internalization. In connection with the Internalization, our former advisor became a wholly-owned subsidiary of our operating partnership, and certain employees of, or consultants to, our former advisor or its affiliates became our employees. As a result of these transactions, we have become a self-administered and self-advised REIT.

We also entered into several related agreements in connection with the Internalization including:

- a pledge and security agreement whereby DCAG pledged the OP units received as consideration in the Internalization and certain other assets for certain periods to secure its indemnification obligations to us under the contribution agreement;

- a registration rights agreement whereby we granted registration rights to DCAG and its permitted transferees in respect of any shares of our common stock issued in exchange for the OP units issued in the Internalization;

- a non-competition agreement with each of Evan Zucker, our former Chief Executive Officer, President and Secretary and a former director, and James Mulvihill, our former Chief Financial Officer and Treasurer and a current director;

- a license agreement with an affiliate of DCAG granting us the right to continue to use the Dividend Capital name without payment of any fees for one year;

- a transition services agreement with an affiliate of DCAG whereby we receive enumerated services, including IT services, human resources, payroll and accounts payable services, necessary to operate our business for a one-year period; and

- a strategic relationship with Dividend Capital Total Realty Trust Inc., or DCTRT, a Maryland corporation which qualifies as a REIT for U.S. federal income tax purposes and which is externally advised by an affiliate of DCAG, which established a series of joint ventures that, subject to certain exceptions and conditions, will be the exclusive vehicles used by DCTRT to invest in industrial real estate assets in our current major markets through the end of 2008.

Additionally, upon consummation of the Internalization, Phil Hawkins became our Chief Executive Officer and a director, Stuart Brown became our Chief Financial Officer and Jim Cochran became our President. Simultaneously, Evan Zucker resigned as our Chief Executive Officer, President, Secretary and director and James Mulvihill resigned as our Chief Financial Officer and Treasurer, but remains a director.

Certain of our directors and officers had material financial interests in the Internalization. (See Certain Relationships and Related Transactions.) To address these potential conflicts of interest, a special committee of our board of directors comprised of all of our independent directors was formed to review, consider and negotiate the terms and conditions of the Internalization and to make a recommendation to our entire board regarding the transaction. The special committee engaged and consulted with its own legal and financial advisors.

In connection with the Internalization, our stockholders approved an amendment and restatement of our charter that will become effective upon the closing of this offering. The purpose of this amendment is to conform our charter more closely with the charters of other companies that qualify as REITs for U.S. federal income tax purposes and whose securities are publicly traded and listed on the NYSE. In addition, we adopted, and our stockholders approved, our 2006 Long-Term Incentive Plan, or our long-term incentive plan, and our 2006 Incentive Compensation Plan, or our incentive compensation plan. These plans were established by our board of directors, which worked with its legal advisors and with employment compensation consultants to survey and study the market compensation ranges of our competitors, were approved by our stockholders and are designed to help us to attract, retain and motivate highly qualified individuals and more directly align the interests of our management with those of our stockholders.

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Significant Portfolio Acquisitions

Cal-TIA Acquisition

On June 9, 2006, we acquired a fee interest in a portfolio of 78 bulk distribution, light industrial and service center buildings comprising approximately 7.9 million rentable square feet located in eight markets (Atlanta, Baltimore, Charlotte, Cincinnati, Dallas, Miami, Northern California and Orlando), which we collectively refer to as Cal-TIA, and a land parcel comprising 9.2 acres located in the Orlando market, for a total cost of approximately $510.1 million (which includes an acquisition fee of $4.9 million that was paid to our former advisor). This portfolio was acquired from an unrelated third party. We funded this purchase using our existing cash balances, net proceeds from our prior continuous public offerings and our operating partnership s private placement and debt proceeds of approximately $387.0 million. These debt proceeds consisted of borrowings from our existing senior unsecured revolving credit facility in the amount of $112.0 million and the issuance of $275.0 million of unsecured debt.

The table below provides the number of buildings and rentable square feet by market with respect to the acquired portfolio of buildings as of June 9, 2006.

Market	Buildings	Rentable Square Feet
Atlanta	9	1,146,169
Baltimore	3	278,519
Charlotte	7	1,051,144
Cincinnati	18	796,413
Dallas	5	1,828,183
Miami	3	411,009
Northern California	23	1,499,524
Orlando	10	859,094
Total Portfolio	**78**	**7,870,055**

As of June 9, 2006, the acquired buildings were 92.2% occupied.

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Cabot Acquisition

On July 21, 2005, we completed a merger with Cabot Industrial Value Fund, Inc., or Cabot, an unrelated third party, whereby we acquired all of the outstanding shares of Cabot s common stock for approximately $312.6 million in cash and the assumption of debt and certain other net liabilities (which includes an acquisition fee of $5.6 million that was paid to our former advisor). Through our ownership of Cabot, we initially acquired an approximate 87.0% interest in Cabot Industrial Value Fund, LP which, as of December 31, 2005, owned a portfolio of 104 buildings located in 12 markets throughout the United States with a total historical cost of approximately $654.5 million and approximately $308.8 million of mortgage debt outstanding. The following table provides additional information about the portfolio as of December 31, 2005.

Market	Buildings	Rentable Square Feet
Atlanta	29	1,457,171
Baltimore	3	432,113
Boston	1	164,900
Charlotte	3	345,956
Chicago	6	1,073,830
Cincinnati	11	1,496,773
Columbus	3	1,213,486
Dallas	29	2,249,496
Miami	1	65,669
New Jersey	3	483,338
Seattle	8	1,198,617
Southern California	7	725,432
Total Portfolio	**104**	**10,906,781**

As of the date of acquisition, this portfolio was 82.0% occupied. On April 21, 2006, we purchased the remaining interests in the Cabot Industrial Value Fund, LP for approximately $40.4 million (which includes an acquisition fee of $0.9 million that was paid to our former advisor).

RN Portfolio Acquisition

On October 1, 2004, we acquired a fee interest in a portfolio of 53 buildings totaling approximately 4.9 million rentable square feet located in the following six markets: Atlanta, Boston, Dallas, Houston, Northern California and Phoenix. The total cost of this portfolio was approximately $238.9 million (which includes an acquisition fee of $2.3 million that was paid to our former advisor).

The following table provides additional information about the portfolio as of October 1, 2004:

Market	Buildings	Rentable Square Feet
Atlanta	10	1,272,471
Boston	5	405,741
Dallas	14	942,494
Houston	9	806,441
Northern California	3	133,871
Phoenix	12	1,329,735
Total Portfolio	**53**	**4,890,753**

As of October 1, 2004, this portfolio was 84.3% occupied.

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Institutional Joint Ventures

BBK Joint Venture

On February 21, 2006, we entered into a joint venture with affiliates of Boubyan Bank of Kuwait, which we refer to as BBK, an unrelated third party, to create an institutional fund, DCT Fund I LLC, which we refer to as Fund I, that owns and operates industrial properties located in the United States. We contributed six industrial properties to Fund I totaling approximately 2.6 million rentable square feet after completion of a 330,000 square foot expansion project. The contribution value of the six buildings upon completion of the expansion was approximately $122.8 million. Contemporaneously with our contribution, Fund I issued $84.4 million of secured non-recourse debt to a third party and BBK contributed $19.7 million of equity to Fund I. Upon receipt of these proceeds, Fund I made a special distribution to us of approximately $102.7 million. The expansion was completed during June 2006, and, contemporaneously with the completion of the expansion, Fund I issued $11.1 million of additional secured non-recourse debt to a third party and BBK contributed $2.6 million of equity to Fund I. Upon receipt of these proceeds, Fund I made a special distribution to us of approximately $13.7 million. With the completion of these transactions, our ownership of Fund I is 20% and BBK s ownership of Fund I is 80%.

Pursuant to our joint venture agreement, we act as asset manager for Fund I and earn certain fees, including asset management fees related to the properties we manage. Such fees totaled approximately $137,000 and $316,000 for the three and nine months ended September 30, 2006, respectively. In addition to these fees, after we and BBK are repaid our respective capital contributions plus a preferred return, we have the right to receive a promoted interest in Fund I based on performance. Although Fund I s day-to-day business, affairs and assets are managed by us, all major decisions are determined by both us and BBK.

DCTRT Joint Ventures

We have entered into a strategic relationship with DCTRT whereby we have entered into one and anticipate entering into an additional two joint ventures with DCTRT and/or its affiliates to serve as the exclusive vehicles through which DCTRT will acquire industrial real estate assets in certain major markets in which we currently operate until the end of 2008. The exclusivity provisions will remain in effect so long as we introduce a certain minimum amount of potential acquisition opportunities within a specified time frame for each joint venture. In addition, we have entered into non-competition agreements with Evan Zucker, our former Chief Executive Officer, President, Secretary and director, and James Mulvihill, our former Chief Financial Officer and Treasurer and a current director of our company, which generally restrict their ability to engage in various activities in North America in respect of industrial real estate for three years. The non-competition agreements contain certain exceptions, including a provision that Messrs. Zucker and Mulvihill can provide various services to DCTRT and other related entities if (and only for so long as) the DCTRT exclusivity provisions described above remain in effect.

We will act as the managing member of these joint ventures, subject to the approval of major decisions by DCTRT, and will earn an asset management fee of 45 basis points per annum on assets under management, an acquisition fee of 50 basis points of the joint venture s pro rata share of the purchase price (including any assumed debt, but excluding certain transaction costs) of assets it acquires and, under certain circumstances, a construction management fee and a disposition fee. Distributions of available cash will be paid (i) to us and DCTRT, pari passu, in accordance with our respective percentage interests, until DCTRT has received an 8.5% internal rate of return; (ii) after DCTRT has received an 8.5% internal rate of return, 80.0% to us and DCTRT, pari passu, in accordance with our respective percentage interests and 20.0% to us, until DCTRT has received a 13.0% internal rate of return; and (iii) after DCTRT has received a 13.0% internal rate of return, 70.0% to us and DCTRT, pari passu, in accordance with our respective percentage interests and 30.0% to us. Each joint venture will be funded as follows: (i) an equity contribution from DCTRT to the joint venture (which will be not less than approximately 90.0% of the joint venture s required equity capitalization); (ii) an equity contribution from us to the joint venture (which will be up to 10.0% of the joint venture s required equity capitalization); and (iii) secured debt financing to be obtained by the joint venture with a targeted loan-to-value of no less than 55.0% and no more than 75.0%.

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On September 1, 2006, we entered into the first joint venture agreement with DCTRT, which we refer to as TRT/DCT Venture I, pursuant to which TRT/DCT Venture I will own up to $150.0 million of industrial properties. The portfolio will be comprised of:

(i) approximately $65.3 million in assets to be sold by us to DCTRT. We will manage these assets and receive an asset management fee of 45 basis points per annum and DCTRT will have the obligation, under certain circumstances and subject to our approval, to contribute such assets to TRT/DCT Venture I at a later date; and

(ii) an additional approximately $84.7 million in assets that will either be (a) contributed by us to TRT/DCT Venture I, (b) sold by us to DCTRT pursuant to the same terms described in (i) above, or (c) acquired by TRT/DCT Venture I through third-party purchases.

On October 16, and October 31, 2006, we sold collectively six industrial properties to DCTRT. As described above, we will manage these assets and earn an asset management fee and DCTRT will have the obligation, under certain circumstances and subject to our approval, to contribute such assets to TRT/DCT Venture I at a later date. The total purchase price of these six properties was approximately $65.3 million.

The following table provides certain additional information about the properties that have been sold:

Property	Market	Number of Leases	Rentable Square Feet	Occupancy Percentage(1)	Annualized Base Rent(2)
Park West L1(4)	Cincinnati	1	150,100	100.0%	$ 593,285
Park West Q(3)	Cincinnati	3	198,600	100.0%	755,190
Rickenbacker IV(3)	Columbus	3	330,179	100.0%	1,163,743
Eagle Creek East(3)	Minneapolis	2	107,451	100.0%	630,537
Eagle Creek West(4)	Minneapolis	2	132,068	100.0%	747,995
Minnesota Valley III(4)	Minneapolis	1	232,804	100.0%	821,798
Total Portfolio		**12**	**1,151,202**	**100.0%**	**$ 4,712,548**

(1) Based on leases signed as of September 30, 2006 and calculated as rentable square feet less available square feet divided by rentable square feet.
(2) Annualized Base Rent is calculated as monthly contractual base rent (cash basis) per the terms of the lease, as of September 30, 2006, multiplied by 12.
(3) Represents a property sold by us to DCTRT on October 16, 2006.
(4) Represents a property sold by us to DCTRT on October 31, 2006.

As managing member, we make the initial determination as to whether an asset will be acquired by TRT/DCT Venture I, and this determination is then subject to DCTRT s review and approval. With respect to our own assets, if the proposed asset has been owned by us for four months or less and no significant leasing, development or repositioning of the asset has occurred, the purchase price for the asset is equal to our total gross cost basis and, if the proposed asset has been owned by us for more than four months or significant leasing, development or repositioning of the asset has occurred, the purchase price for the asset is equal to the asset s fair market value as determined by an unaffiliated appraiser plus incremental third-party costs including legal, due diligence and debt financing expenses. However, we have no obligation to sell an asset if the appraised value is less than our cost basis. Assets that are acquired from third parties are valued at the acquisition s total gross cost, which includes the purchase price, due diligence costs and closing costs. We will receive an acquisition fee of 50 basis points as described above in connection with all assets that are contributed or sold.

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SCLA Joint Venture

In July 2005, we entered into a joint venture agreement, which was amended and restated in October 2006, with Stirling Airports International, LLC, or Stirling, to be the master developer of up to 4,350 acres in Victorville, California, part of the Inland Empire submarket of the Southern California industrial real estate market. We refer to this joint venture as the SCLA joint venture. While our exact interest in the joint venture will depend on the amount of capital we contribute and the timing of contributions and distributions, the SCLA joint venture contemplates an equal sharing between us and Stirling of residual profits after all priority distributions. The development project resulted from the closure of George Air Force Base in 1992 and is known as Southern California Logistics Airport, or SCLA. SCLA is controlled by two development authorities: the Southern California Logistics Airport Authority and the Southern California Logistics Rail Authority, which we refer to collectively as the Authorities. SCLA is part of the approximately 60,000 acre Victor Valley Economic Development Authority. Stirling entered into two master development agreements to be the exclusive developer of SCLA for the next 13 years (including extensions) and assigned to the SCLA joint venture its rights related to the 4,350 acres designated primarily for industrial development.

The Southern California industrial real estate market is one of the largest and fastest growing industrial real estate markets in the United States and is supported by leading seaport and airport hubs, as well as extensive road and rail systems. Southern California is home to the Los Angeles/Long Beach container ports, the busiest seaport system in North America and the eighth busiest in the world as measured by annual volume. Industrial land prices in the Inland Empire currently range between $6 and $17 per square foot. The SCLA development project has logistical advantages for the movement of goods by air, truck and rail. SCLA is situated 47 miles north of the Ontario California International Airport in close proximity to Interstate 15, the main west-east artery for goods moving from the Ports of Los Angeles and Long Beach. The project also surrounds an existing logistics airport which can accommodate the largest commercial aircraft and is controlled by the Southern California Logistics Airport Authority. In addition to the two existing airport runways at the logistics airport, the main transcontinental lines for Burlington Northern Santa Fe and Union Pacific Railroads run parallel to I-15.

The SCLA joint venture contemplates acquiring tracts of land over time as opportunities arise for development or for resale of parcels to end users for whom the joint venture may participate in build-to-suit projects. As the exclusive master developer of the industrial portion of SCLA for up to 13 years, the joint venture has the right to develop bulk distribution and light industrial properties in what we believe to be the industrial market that has experienced the highest average annual net absorption in the United States for the last five years. The SCLA joint venture anticipates executing a disposition development agreement to acquire 344 acres at SCLA before the end of 2006 as part of the phase one development plan. We believe that this first phase can accommodate up to 6.5 million rentable square feet of industrial development. Subject to the receipt of required building permits, we currently anticipate starting construction of between 1.5 million and 2.0 million rentable square feet of space within the next 12 to 18 months. The Authorities have committed an initial $18 million in funding of the infrastructure improvements and have indicated that, subject to availability of tax increment financing, they intend to fund remaining infrastructure improvements needed for the joint venture s phase one development plan. We cannot predict at this time when or to what extent the joint venture will purchase additional land beyond phase one that it has the right to develop under the master agreements. If the SCLA joint venture developed all of the 4,350 acres, we believe the project could ultimately accommodate up to 60.0 million rentable square feet of industrial space, though there can be no guarantee that we can achieve such development within the 13 year term.

Forward Purchase Commitments in Mexico

In November 2006, we entered into six separate forward purchase commitments with Nexxus Desarrollos Industriales, or Nexxus, to acquire six newly constructed buildings totaling 858,739 rentable square feet. The six buildings will be located on separate development sites in four submarkets in the metropolitan area

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of Monterrey, Nuevo Leon, Mexico. The forward purchase commitments obligate us to acquire each of the six facilities from Nexxus upon completion, subject to a variety of conditions related to, among other things, the buildings complying with approved drawings and specifications. Timing on closing under the purchase obligation depends on leasing at each building prior to building completion. Our aggregate purchase price for the six facilities is no less than $33.8 million and increases as buildings are leased prior to closing. Contemporaneously with the execution of the forward purchase commitments, we provided Nexxus with six separate letters of credit aggregating $33.8 million to secure our future performance under the forward purchase commitments, all subject to a variety of construction and site related conditions. Construction of the buildings is expected to commence prior to year-end 2006. Closing on the individual buildings is expected to occur between July 2007 and March 2008.

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Our Corporate Structure

We were organized in April 2002 as a Maryland corporation and have continually qualified as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2003. We are self- administered and self-advised. We own our properties through our operating partnership and its subsidiaries. We are the sole general partner of our operating partnership and owned approximately 97% of the outstanding equity interests of our operating partnership as of September 30, 2006.

We and our wholly-owned subsidiary DCT Industrial TRS Inc., or DCT TRS, have jointly elected to treat DCT TRS as a taxable REIT subsidiary, or TRS. DCT TRS undertakes certain activities that we (and our pass-through subsidiaries) might otherwise be precluded from undertaking under the REIT qualification rules of the Code. As a TRS, DCT TRS is generally subject to corporate income tax on its earnings, which has the effect of reducing the cash flows available to make distributions to our stockholders.

The following chart reflects an overview of our corporate organization following completion of this offering, assuming no exercise of the overallotment of option:

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(1) Includes 90.9% representing shares of our common stock outstanding prior to this offering and held by unaffiliated stockholders.
(2) Subsidiary that acts as payroll master and has other overhead functions.
(3) Includes 5.5% representing the total OP units owned by DCAG less the OP units indirectly beneficially owned by certain of our officers and directors through their membership interests in and/or rights to receive a portion of the net cash flows of DCAG.
(4) Represents OP units indirectly beneficially owned by certain of our officers and directors through their membership interests in and/or rights to receive a portion of the net cash flows of DCAG.
(5) REIT subsidiary.
(6) TRS.

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Our REIT Status

We elected to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ended December 31, 2003. As a REIT, we generally will not be subject to U.S. federal income tax on income that we distribute to our stockholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they annually distribute at least 90% of their taxable income. If we fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, we will not be allowed a deduction for distributions to our stockholders in computing our taxable income and we may be precluded from qualifying for treatment as a REIT for the four-year period following the year of our failure to qualify. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed income.

Restrictions on Transfer

We and our executive officers and directors have agreed, with exceptions, not to sell or transfer any common stock for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Specifically, we and these other individuals have agreed, with exceptions, not to directly or indirectly offer, pledge, sell or contract to sell any common stock, sell any option or contract to purchase any common stock, purchase any option or contract to sell any common stock, grant any option, right or warrant for the sale of any common stock, lend or otherwise dispose of or transfer any common stock, request or demand that we file a registration statement related to the common stock, or enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

Restrictions on Share Ownership

Our charter contains a restriction on ownership of the common stock that prevents any person or entity from owning directly or indirectly more than 9.8% of the outstanding shares of any class or series of our stock, by number or value, whichever is more restrictive, subject to certain possible exceptions. These restrictions, as well as other share ownership and transfer restrictions contained in our charter, are designed to enable us to comply with share accumulation and other restrictions imposed on REITs by the Code. For a more complete description of the common stock, including restrictions on the ownership of common stock, please see the Description of Capital Stock section of this prospectus.

Distribution Policy

U.S. federal income tax law requires that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain.

In order to maintain our REIT qualification and to generally not be subject to U.S. federal income and excise tax, we intend to make regular quarterly distributions of all or substantially all of our net taxable income to holders of our common stock. Any future distributions we make will be at the discretion of our board of directors and will depend upon, among other things, our actual results of operations. These results and our ability to pay distributions will be affected by various factors, including the income from our portfolio, our operating expenses and any other expenditures.

We cannot assure you that we will have sufficient cash available for future quarterly distributions. See Risk Factors Risks Related to Our Business and Operations We may have difficulty funding our distributions with our available cash flows.

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To the extent that our cash available for distribution is less than 90% of our REIT taxable income, we may consider various funding sources to cover any such shortfall, including borrowing under our credit facility, selling certain of our assets or using a portion of the net proceeds we receive in this offering or future offerings. Our distribution policy enables us to review the alternative funding sources available to us from time to time.

Conflicts of Interest

Following the completion of the Internalization, there are conflicts of interest with respect to certain of our officers and directors, on the one hand, and us and our stockholders, on the other. Tom Wattles, Jim Cochran, Daryl Mechem, Michael Ruen and Matt Murphy hold membership interests in and/or are entitled to receive a portion of the net cash flows of DCAG. DCAG, or an affiliate thereof, is a party to the contribution agreement with us, as well as the pledge and security agreement, the registration rights agreement, the license agreement and the transition services agreement. In addition, we recently entered into employment agreements with each of our executive officers and a non-competition agreement with James Mulvihill, one of our directors. We may not seek to enforce these agreements as vigorously as we otherwise might because of our desire to maintain our relationships with such officers and directors.

Tom Wattles, our Executive Chairman, owns a portion of the parent company of DCTRT s external advisor and has similar ownership of, and serves as a manager for, other affiliates of DCAG. He will devote a majority of his time to us but will not work full time for us. (See Risk Factors Risks Related to Conflicts of Interest.)

We have invested, and may in the future invest, in joint ventures or other programs sponsored by affiliates of Messrs. Wattles and Mulvihill, including those pursuant to our joint ventures with DCTRT, or conduct other business activities with these affiliates. Messrs. Wattles and Mulvihill will each abstain from voting as directors on any transactions we enter into with these affiliates. In addition, we may compete with our affiliates for investments.

We have adopted policies that are designed to eliminate or minimize certain potential conflicts of interest by requiring the consent of a majority of our independent directors with respect to actions in connection with the foregoing agreements or circumstances.

Senior Unsecured Revolving Credit Facility

We have a $250.0 million senior unsecured revolving credit facility with a syndicated group of banks led by J.P. Morgan Securities Inc. The facility matures in December 2008 and has provisions to increase its total capacity to $400.0 million. At our election, the facility bears interest either at LIBOR plus between 0.875% and 1.375%, depending upon our consolidated leverage, or at prime and is subject to an annual 0.25% facility fee. The facility contains various covenants, including financial covenants with respect to consolidated leverage, net worth, unencumbered assets, interest and fixed charge coverage and secured debt to total asset value. As of September 30, 2006, we were in compliance with all of these covenants. As of September 30, 2006, there was $165.0 million outstanding on this facility and on a pro forma basis there will be $77.3 million outstanding.

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The Offering

Common stock offered by us	15,000,000 shares(1)
Common stock to be outstanding after this offering	167,054,638 shares(2)
Common stock and OP units to be outstanding after this offering	190,784,112 shares/units(2) (3)
Use of proceeds	We intend to use all $166.3 million of the net proceeds of this offering to repay outstanding indebtedness under our senior unsecured revolving credit facility.
Proposed New York Stock Exchange symbol	DCT

(1) Excludes up to 2,250,000 shares of our common stock that may be issued by us upon exercise of the underwriters overallotment option.

(2) Includes 152,054,638 shares of our common stock outstanding as of November 27, 2006.

Excludes the following:

- up to 2,250,000 shares of our common stock that may be issued by us upon exercise of the underwriters overallotment option;
- 421,000 shares of our common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of $11.19 per share;
- 2,060,514 shares of our common stock issuable upon the exercise of 2,060,514 outstanding warrants at an exercise price of $12.00 per share;
- 21,778 shares of our common stock issuable upon the settlement of outstanding phantom shares;
- 23,729,474 shares of common stock issuable, in our sole discretion, upon the exchange of 23,729,474 outstanding OP units on a one-for-one basis; and
- 501,906 shares of common stock issuable, in our sole discretion, upon the exchange of 501,906 OP units issuable upon conversion of outstanding LTIP units; and
- 7,476,316 shares of our common stock reserved for future issuance under our long-term incentive plan.

(3) Includes 23,729,474 shares of common stock issuable, in our sole discretion, upon the exchange of 23,729,474 outstanding OP units as of November 27, 2006 on a one-for-one basis, including the 15,111,111 OP units issued upon completion of the Internalization. Excludes 501,906 OP units issuable upon conversion of outstanding LTIP units. For additional information regarding LTIP units, see Management 2006 Long-Term Incentive Plan 2006 Partnership Unit-Based Incentive Compensation Program.

In addition, as discussed in more detail in Background above, we solicited the consent of the holders of certain outstanding TIC Interests in 23 of our properties that were issued in connection with our operating partnership s private placement to amend the leases relating to their interests. These leases provide our operating partnership with purchase options respecting these TIC Interests, and the lease amendments fixed the number of OP units to be paid and accelerated the date of closing of the purchase of the TIC Interests to the earlier of: (1) a date selected by our operating partnership that was within 60 days after the completion of this offering, or (2) a date selected by our operating partnership that was within the stipulated closing period in the original lease. We received unanimous consents to amend the leases related to 14 of the 23 properties for which we solicited consents, which gives our operating partnership the right to purchase the related TIC Interests for an aggregate of 6,834,390 OP units valued at approximately $76.9 million during the accelerated closing period. We did not receive unanimous consents for the nine remaining properties, which would have given us the right to purchase all remaining TIC Interests in these nine properties for an aggregate of 8,576,482 OP units valued at approximately $96.5 million.

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Summary Selected Consolidated Financial and Pro Forma Data

The following table sets forth selected summary financial data relating to our historical results of operations for the years ended December 31, 2005, 2004 and 2003, as well as for the nine months ended September 30, 2006 and 2005, and selected summary pro forma financial data relating to our results of operations for the year ended December 31, 2005 and the nine months ended September 30, 2006. The table also sets forth selected summary financial data relating to the historical balance sheets as of December 31, 2005, 2004 and 2003 and as of September 30, 2006 and 2005, and selected summary pro forma financial data relating to the balance sheet as of September 30, 2006.

The summary historical consolidated financial information for the periods ended December 31, 2005, 2004 and 2003 and as of December 31, 2005, 2004 and 2003 presented below have been derived from our historical consolidated financial statements which were audited by KPMG LLP, an independent registered public accounting firm. The summary historical consolidated financial information for the nine-month periods ended, and as of, September 30, 2006 and 2005 have been derived from our unaudited condensed consolidated financial statements. Certain amounts presented for the fiscal years ended December 31, 2004 and 2003 and for the nine-month period ended September 30, 2005 have been reclassified to conform to the presentation for the year ended December 31, 2005 and the nine-month period ended September 30, 2006.

The summary unaudited pro forma financial information as of September 30, 2006 and for the nine months then ended has been prepared to reflect adjustments to the historical financial statements to illustrate the estimated effect of the following transactions as if they had occurred on January 1, 2005:

- our acquisition, including one pending acquisition that is deemed to be probable, in 2006 of 134 properties located in 18 markets for a total cost of approximately $1.1 billion. These properties were acquired using net proceeds from our prior continuous public offerings, our operating partnership s private placement and debt issuances and existing cash balances;

- the acquisition on October 10, 2006 by our operating partnership of our former advisor from DCAG for an aggregate of 15,111,111 OP units, which included the modification of the special units held by DCAG into 7,111,111 OP units;

- this offering of 15,000,000 shares of our common stock; and

- the application of the net proceeds from this offering to repay $166.3 million of outstanding indebtedness under our senior unsecured revolving credit facility.

The summary unaudited pro forma financial information as of December 31, 2005 and for the year then ended has been prepared to illustrate the estimated effect of the following transactions as if they had occurred on January 1, 2005:

- the transactions described above; and

- our acquisition in 2005 of 158 properties located in 18 markets for a total cost of approximately $1.2 billion. These properties were acquired using net proceeds from our prior continuous public offerings, our operating partnership s private placement and debt issuances and existing cash balances.

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Since the information presented below is only a summary and does not provide all of the information contained in our historical consolidated financial statements and pro forma condensed consolidated financial statements, including the related notes, you should read it in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and pro forma condensed consolidated financial statements, including the related notes, included elsewhere in this prospectus. The amounts in the table are in thousands except for per-share information.

	For the Nine Months Ended September 30,			For the Year Ended December 31,			
	Pro Forma	Historical		Pro Forma	Historical		
	2006	2006	2005	2005	2005	2004	2003
Operating Data:							
Rental revenues	$ 187,810	$ 158,080	$ 81,340	$ 250,464	$ 123,228	$ 34,112	$ 2,645
Institutional capital management and other fees	398	398					
Total revenues	188,208	158,478	81,340	250,464	123,228	34,112	2,645
Rental expenses and real estate taxes	44,449	36,592	17,881	60,469	27,558	7,043	367
Real estate depreciation and amortization expense	89,954	81,196	47,430	120,269	70,280	18,919	1,195
General and administrative expenses	13,937	3,939	2,294	15,315	3,004	2,372	412
Asset management fees, related party		12,907	5,640		8,901	1,525	
Total expenses	148,340	134,634					