SECURITIES AND EXCHANGE COMMISSION
UNITED STATES
Washington, DC 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 7, 1997

REGENCY REALTY CORPORATION
(Exact name of registrant as specified in its charter)

Florida	1-12298	59-3191743
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

121 West Forsyth Street, Suite 200 Jacksonville, Florida	32202
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number including area code: (904)-356-7000

Not Applicable
(Former name or former address, if changed since last report)

Item 7. FINANCIAL STATEMENTS AND PRO FORMA FINANCIAL INFORMATION

A. BRANCH PROPERTIES, L.P. AND PREDECESSOR
Audited Financial Statements for
the year ended December 31, 1996

B. Pro Forma Financial Information

BRANCH PROPERTIES, L.P.
AND PREDECESSOR
INDEX TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

March 7, 1997

To the Partners of Branch Properties, L.P.

In our opinion, the accompanying consolidated balance sheets and the related consoli dated/combined statements of operations, of partners' and owners' equity, and of cash flows present fairly, in all material respects, the financial position of Branch Properties, L.P. and Predecessor (the "Company") at December 31, 1996 and 1995 and the results of their operations for each of the three years in the period ended December 31, 1996 and their cash flows for the year ended December 31, 1996, the periods from December 19, 1995 through December 31, 1995, January 1, 1995 through December 18, 1995 and the year ended December 31, 1994 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse LLP
Atlanta, Georgia

BRANCH PROPERTIES, L.P.
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

	December 31, 1996	December 31, 1995
ASSETS		
Investment in real estate		
Land	$ 45,422	$ 35,383
Buildings and land improvements	110,738	85,540
Tenant improvements	837	625
Furniture, fixtures and equipment	1,497	1,253
	158,494	122,801
Less: accumulated depreciation and amortization	(12,891)	(10,180)
Operating real estate assets	145,603	112,621
Developments held for resale, including $7,553 under construction	11,365	-
Construction in progress	16,983	-
	173,951	112,621
Cash and cash equivalents	325	1,468
Tenant receivables	2,194	1,553
Deferred charges, net	1,489	1,016
Other assets	4,837	2,436
Investment in unconsolidated property partnership	937	898
Total assets	$ 183,733	$ 119,992
LIABILITIES AND PARTNERS' EQUITY		
Notes payable	$ 119,096	$ 81,277
Security deposits and unearned rents	701	369
Accounts payable and accrued expenses	7,030	2,679
Other liabilities	1,530	182
	128,357	84,507
Minority interest in consolidated property partnerships	6,915	5,538
Commitments and contingencies	-	-
Partners' equity	48,461	29,947
Total liabilities and partners' equity	$ 183,733	$ 119,992

See accompanying notes to the financial statements.

BRANCH PROPERTIES, L.P. AND PREDECESSOR
CONSOLIDATED/COMBINED STATEMENTS OF OPERATIONS
(Dollars in Thousands)

	Branch Properties, LP 1996	Predecessor Year ended December 31, 1995	1994
Revenues			
Rental	$ 16,599	$ 12,270	$ 8,762
Tenant reimbursements	3,254	2,398	1,442
Third-party management	3,627	3,758	4,471
Acquisition and development	828	1,201	1,928
Other income, net	321	398	995
Total revenues	24,629	20,025	17,598
Expenses			
Property operating and maintenance	3,558	2,572	1,918
Third-party management	3,097	3,969	4,120
Acquisition and development	953	1,176	1,418
Real estate taxes	1,596	1,192	868
Interest	7,366	6,534	3,962
Depreciation and amortization	3,165	2,382	1,811
General and administrative	2,547	830	551
Formation expenses	108	1,274	-
Minority interest in consolidated/ combined property partnerships	482	211	(14)
Total expenses	22,872	20,140	14,634
Income (loss) before extraordinary item	1,757	(115)	2,964
Extraordinary item	(76)	(1,385)	-
Net income (loss)	$ 1,681	$ (1,500)	$ 2,964

See accompanying notes to the financial statements.

BRANCH PROPERTIES, L.P. AND PREDECESSOR
CONSOLIDATED/COMBINED STATEMENTS OF PARTNERS' AND OWNERS' EQUITY
(Dollars in Thousands)

	General Partner	Limited Partners	Predecessor Equity	Total
Predecessor				
PARTNERS' AND OWNERS' EQUITY, DECEMBER 31, 1993	$ -	$ -	$15,951	$15,951
Capital contributions	-	-	5,528	5,528
Capital distributions	-	-	(4,833)	(4,833)
Deemed capital contributions	-	-	329	329
Net income	-	-	2,964	2,964
PARTNERS' AND OWNERS' EQUITY, DECEMBER 31, 1994	-	-	19,939	19,939
Capital contributions	-	-	606	606
Capital distributions	-	-	(2,830)	(2,830)
Deemed capital distributions	-	-	(152)	(152)
Distributions of net capital of Initial Properties to partners and owners in conjunction with the Business Combination	-	-	(3,800)	(3,800)
loss			(1,500)	(1,500)
PARTNERS' AND OWNERS' EQUITY, DECEMBER 18, 1995	-	-	12,263	12,263
Branch Properties, L.P.				
Reclassification of predecessor equity in connection with the Business Combination	(2,497)	14,760	(12,263)	-
Proceeds from Equity Commitment, net of offering costs of $1,075	-	7,033	-	7,033
Units issued in satisfaction of notes payable and other liabilities	-	2,830	-	2,830
Acquisition of unaffiliated interests and non-controlled interests where cash consideration was involved	-	7,821	-	7,821
PARTNERS' EQUITY, DECEMBER 31, 1995	(2,497)	32,444	-	29,947
Adjustment to acquisition of unaffiliated interests where cash consideration was involved at December 19, 1995	-	(1,340)	-	(1,340)
Capital contributions	-	66	-	66
Capital distributions paid	(216)	(3,684)	-	(3,900)
Capital distributions declared	(72)	(1,328)	-	(1,400)
Subordinate units issued to certain key employees	-	150	-	150
Proceeds from Equity Commitment	-	23,257	-	23,257
Net income	86	1,595	-	1,681
PARTNERS' EQUITY, DECEMBER 31, 1996	$(2,699)	$51,160	$ -	$48,461

See accompanying notes to the financial statements.

BRANCH PROPERTIES, L.P. AND PREDECESSOR
CONSOLIDATED/COMBINED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	Branch Properties, L.P.		Predecessor	
	Year ended December 31, 1996	Period from December 19, 1995 through December 31, 1995	Period from January 1, 1995 through December 18, 1995	Year ended December 31, 1994
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	$ 1,681	$ -	$(1,500)	$ 2,964
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation	3,112	-	2,226	1,669
Amortization	282	-	607	368
Bad debt expense	277	-	-	-
Write-off of deferred financing and leasing costs	76	-	234	-
(Gain) on sale of real estate assets	(95)		(69)	-
Minority interest in consolidated /combined property partnerships	482	-	211	(14)
Equity in net income of unconsolidated property partnership	(39)	-	(7)	-
Subordinate units issued to key employees	150	-	-	-
Changes in assets, (increase) decrease				
Developments held for resale	(13,865)	-	-	-
Tenant receivables	(918)	-	(620)	(318)
Deferred charges	(163)	-	(225)	(95)
Other assets	(2,401)	-	(385)	(662)
Changes in liabilities, increase (decrease)				
Security deposits and unearned rents	332	-	84	108
Accounts payable and accrued expenses	1,009	(1,361)	2,558	(508)
Other liabilities	1,348	-	(109)	1,034
Net cash provided by (used in) operating activities	(8,732)	(1,361)	3,005	4,546
CASH FLOWS FROM INVESTING ACTIVITIES				
Construction of real estate assets, net of payables	(19,314)	-	(1,371)	(3,399)
Acquisition of shopping centers	(25,274)	-	(5,358)	(22,975)
Tenant improvements	(206)	-	(229)	(442)
Proceeds from sale of real estate assets	3,364	-	693	-
Investment in unconsolidated property partnership	-	-	(891)	-
Purchase of non-controlled interests of certain investors in the Initial Properties	-	(1,994)	-	-
Other capital expenditures	(888)	-	(657)	(343)
Net cash (used in) investing activities	(42,318)	(1,994)	(7,813)	(27,159)

BRANCH PROPERTIES, L.P. AND PREDECESSOR
CONSOLIDATED/COMBINED STATEMENTS OF CASH FLOWS
Continued
(Dollars in Thousands)

	Branch Properties, L.P.		Predecessor	
	Year ended December 31, 1996	Period from December 19, 1995 through December 31, 1995	Period from January 1, 1995 through December 18, 1995	Year ended December 31, 1994
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of financing costs	(518)	(453)	(386)	(371)
Debt proceeds	59,984	36,286	37,013	25,978
Debt payments	(28,439)	(36,230)	(31,699)	(6,519)
Deemed capital (distributions) contributions			(152)	329
Contributions from minority interest in consolidated/combined property partnerships	-	-	2,320	3,021
Distributions to minority interests in consolidated/combined property partnerships	(543)	-	-	-
Capital contributions	66	-	606	5,528
Capital distributions	(3,900)	-	(2,830)	(4,833)
Distributions of net capital of Initial Properties to partners and owners in conjunction with the Business Combination	-	(1,813)	(1,987)	-
Proceeds from the Equity Commitment	23,257	8,108	-	-
Payment of offering costs	-	(1,075)	-	-
Net cash provided by financing activities	49,907	4,823	2,885	23,133
Net increase (decrease) in cash and cash equivalents	(1,143)	1,468	(1,923)	520
Cash and cash equivalents, beginning of period	1,468	-	1,923	1,403
Cash and cash equivalents, end of period	$ 325	$1,468	$ -	$ 1,923

See accompanying notes to the financial statements.

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1. ORGANIZATION AND BASIS OF PRESENTATION

Organization and formation of the company

Branch Properties, L.P. ("BPL"), a limited partnership, was formed in the State of Georgia on October 20, 1995 by the partners/shareholders of the Branch Group ("BG" or "Predecessor") for the purpose of continuing the shopping center and management company operations then being conducted by BG. At that date, BG was not a legal entity but rather a combination of 14 partnership and corporate entities which collectively owned 15 neighborhood and community shopping centers (the "Initial Properties") and the management, leasing, acquisition and development businesses of Branch and Associates, Branch Realty Management, Inc. and certain other affiliates (the "Branch Entities") which had varying ownership interests in common.

On December 19, 1995, the Initial Properties and the Branch Entities were transferred to BPL in exchange for partnership units and the assumption of debt and other liabilities. Concurrently, BPL received a commitment from an investor for $40,000 of equity (the "Equity Commitment") and obtained a $50,000 thirty-five month term facility (the "Term Facility") and a $30,000 master commitment (the "Master Commitment") from a bank. These transactions are collectively referred to herein as the "Business Combination".

The net proceeds from the Business Combination of $43,319, which represents $7,033 from the Equity Commitment, $4,803 from the Term Facility, $13,700 from the Master Commitment and $17,783 from the refinancing of certain debt arrangements of the Initial Properties, were used as follows: (i) $37,535 to repay debt on the Initial Properties (including prepayment penalties and accrued interest), (ii) $1,994 to acquire non-controlled interests of certain investors in the Initial Properties, (iii) $1,813 distributed to certain owners of the Initial Properties, (iv) $1,977 to fund certain reserves and to pay other expenses incurred in connection with the formation of BPL, consisting primarily of financial advisory, legal and accounting fees ("Formation Expenses").

As referred to herein, "The Company" shall mean BPL or BG, its Predecessor.

Basis of presentation

For the periods after the Business Combination, the accompanying consolidated financial statements include the accounts of BPL. For the periods prior to the Business Combination, the accompanying combined financial statements reflect the combined accounts of the Predecessor. The results of operations for the period from December 19, 1995 through December 31, 1995 were not significant and have been reflected in the statement of operations of the Predecessor.

The Business Combination was structured to allow the partners and owners of the entities in BG to receive partnership interests ("Units") in BPL. Purchase accounting was applied to the acquisition of all unaffiliated entities and certain non-controlled interests in affiliated entities in which cash consideration was paid. The acquisition of all other interests was accounted for as

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a reorganization of entities under common control and, accordingly, has been reflected at historical cost in a manner similar to that in pooling of interests accounting.

During 1996, the Company sold a shopping center for a net price of approximately $2,993. Since the property was included in the Initial Properties, the basis assigned as of the date of the Business Combination was adjusted based on the sales price ultimately received. The effect of the adjustment in the amount of $1,340 was recorded as a reduction in equity.

All significant inter-entity or intercompany balances and transactions have been eliminated in consolidation/combination. The financial statements of the Company have been adjusted for the effect of minority interests in certain shopping centers. Equity interests in property partnerships of 50% or less are presented using the equity method of accounting.

Certain items in the consolidated/combined financial statements have been reclassified for comparative purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business

The Company is engaged in the management, operation, leasing, investment, acquisition and development of neighborhood and community shopping centers primarily located in the southeastern United States. The Company provides services for shopping centers it owns and for centers owned by third parties and affiliated entities.

The Company owned nineteen operating shopping centers at December 31, 1996 and seventeen operating shopping centers at December 31, 1995 with total leasable space of 1,897,238 and 1,675,100, respectively. The centers were 97.10% and 96.57% leased at December 31, 1996 and 1995, respectively. At December 31, 1996 approximately 81%, 17%, and 2% (on a gross leasable area basis) of BPL's operating properties are located in the Atlanta, north/central Florida, and Raleigh metropolitan areas, respectively.

Revenue recognition

Minimum rental income is recognized on a straight-line basis over the term of the lease regardless of when payments are due. Accrued straight-line rents receivable of $811 and $503 at December 31, 1996 and 1995, respectively, are included in tenant receivables. Certain lease agreements contain provisions which provide for additional rents based on tenants' sales volume and reimbursement of the tenants' share of real estate taxes, certain common area maintenance and other costs. These additional rents and reimbursements are reflected on the accrual basis.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all investments purchased with an original maturity of three months or less to be cash equivalents.

Deferred charges

Included in deferred charges are certain expenditures related to the financing and leasing of the shopping centers. Financing costs are amortized using the interest method over the terms of the related debt. Amortization of deferred financing costs is included in interest expense on the statements of operations. Leasing costs are amortized over the terms of the related leases.

Real estate assets and depreciation

Real estate assets are stated at cost. Ordinary repairs and maintenance are expensed as incurred; major replacements and improvements are capitalized and depreciated over their estimated useful lives. Depreciation is computed on a straight-line basis over the useful lives of the assets (building and related land improvements - 20-40 years; furniture, fixtures and equipment - 5-7 years). Tenant improvements are depreciated over the terms of the related leases.

Sales of investments in real estate and developments held for resale are recognized at closing.

On January 1, 1996, the Company adopted Statement of Financial Accounting Standards No. 121 (FAS 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." FAS 121 requires that long-lived assets to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing the review for recoverability, the entity estimates the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized. Otherwise an impairment loss is not recognized. Measurement of an impairment loss that an entity expects to hold and use is used in the fair value of the asset. Developments held for resale are recorded at the lower of carrying amount or fair value less disposition costs. The adoption of FAS 121 had no significant effect on the consolidated financial statements of the Company.

General and administrative expenses

Certain general and administrative expenses are allocated to property operating and maintenance, third-party management and acquisition and development expenses based on the relative payroll costs included in each category.

Interest and real estate taxes

Interest and real estate taxes incurred during the construction period are capitalized and amortized over the lives of the constructed assets. Interest paid (net of capitalized amounts of $811, $230 and $440 during 1996, 1995 and 1994) aggregated $7,117, $6,042 and $3,567 for the years ended December 31, 1996, 1995 and 1994, respectively.

Interest rate swap agreements
Swap receipts and payments under interest rate swap agreements designated as a hedge are recognized as adjustments to interest expense when earned or incurred and are reflected as operating activities in the statement of cash flows.

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Partners' capital contributions, distributions and profit and loss with respect to BPL Partners' capital contributions, distributions and profit and loss are allocated in accordance with the partnership agreement.

In conjunction with the Business Combination, the partnership issued 360,000 and 4,305,537 of Priority Units to the general and limited partners, respectively and 500,000 and 100,000 of Subordinated Units to the general and limited partners, respectively. Additional Priority Units may be issued to certain partners in the Initial Properties subject to the achievement of certain operating results. The initial capital contributed by each partner in the Business Combination has been allocated as specified in the partnership agreement. The issuance of additional Units is subject to certain restrictions as defined in the partnership agreement.

In October 1996, the General Partner issued 187,500 Subordinated Units to certain key employees of which 37,500 vest and become nonforfeitable one year from the occurrence of a REIT transaction as defined in the partnership agreement. The Company recognized compensation expense of $150,000 in 1996 based on the estimated value of vested units.

Distributions of Net Operating Cash Flow and Net Proceeds from Capital Transactions (as defined) will generally be made in accordance with the Partnership Agreement which provides for stated preferred returns to Priority Unit holders.

Allocation of net income and loss generally follows the allocation of distributions of Net Operating Cash Flow as outlined above.

Owners' capital contributions, distributions and profit and loss with respect to entities included in BG Owners' capital contributions, distributions and profit and loss are allocated in accordance with the terms of individual partnership agreements. Generally these items are allocated in proportion to the respective ownership interests. Certain agreements also provide for a preference return to certain partners.

(Dollars in Thousands)

Deemed capital contributions and distributions

Branch and Associates (an entity included in BG) had historically made advances to its partners using funds not required for the operation of the shopping centers. In addition, Branch and Associates held a 99% limited partnership interest in Branch Investment Partners, L.P. ("BIP"), which owned Cumming 400 shopping center (one of the Initial Properties). BIP contributed the assets and liabilities of Cumming 400 and certain other partnership interests to the Company; however BIP also held other assets and liabilities which were not part of the Business Combination. The consolidated/combined financial statements have been adjusted for all periods to eliminate the advances to its partners and the net assets and related income of BIP not included in the Business Combination. The changes in net assets eliminated, the related investment and interest income, and advances have been reflected as deemed capital distributions or contributions. Management believes that this results in a more meaningful presentation of BG's historical operating results and financial position since these net assets and advances were not included in the Business Combination and will not be part of the Company's ongoing future operations. Accordingly, the following amounts have been eliminated from the combined financial statements:

	December 31, 1995	December 31, 1994
Net liabilities eliminated at end of period	$ (185)	$ (185)
Net liabilities eliminated at beginning of period	(185)	(244)
		(59)
Investment and interest income	(93)	380
Net (advances) repayments during the period	(59)	8
Deemed capital (distributions) contributions	$ (152)	$ 329

3. DEFERRED CHARGES

Deferred charges consist of the following:

	December 31, 1996	December 31, 1995
Deferred financing costs	$ 1,013	$ 729
Leasing costs	827	370
	1,840	1,099
Less: accumulated amortization	(351)	(83)
	$ 1,489	$ 1,016

(Dollars in Thousands)

4. TRANSACTIONS WITH AFFILIATES

The Company provides management, acquisition, leasing and financial services to various entities in which certain owners of the Company have an interest. Financial services are also provided to the owners of the Company. Fees received for such services are as follows:

	December 31, 1996	1995	1994
Acquisition fees	$ -	$ 2	$ 390
Management fees	779	799	698
Financial services fees	166	239	197
Leasing commissions	204	455	224

Acquisition fees are earned from services provided to affiliates in connection with the purchase of real estate and range from 3% to 5% of the purchase price. Management fees are earned from managing the day to day operation of properties at 3% to 5% of gross rent collected. Financial services fees are earned from providing tax preparation and related services. Leasing commissions are earned as a result of leasing activities provided to various properties by the Company and generally range from 2.5% to 5% of gross rents collected.

In connection with the Equity Commitment, the Company is required to pay a monthly administrative fee to a unitholder of the Company. During 1996, these fees totalled $300.

5. NOTES PAYABLE

Notes payable at December 31, 1996 and 1995 are comprised of the following:

	December 31, 1996	1995
Mortgage notes payable	$ 80,662	$ 59,857
Master commitment	13,055	13,700
Term facility	18,303	4,803
Other construction notes payable	4,080	-
Build-to-suit facility	1,946	-
Line of credit	741	2,500
Other notes payable	309	417
	$ 119,096	$ 81,277

Mortgage notes payable

Mortgage notes payable are comprised of 14 loans at December 31, 1996. The mortgage notes payable are generally due in monthly installments of principal and interest or interest only and mature at various dates through 2012.

Interest rates on fixed rate mortgage notes payable aggregating $66,539 at December 31, 1996 range from 7.04% to 9.75% (weighted average of 8.00% at December 31, 1996). Interest rates on variable rate mortgage notes payable aggregating $14,123 at December 31, 1996 averaged 6.58% and are generally based on prime and/or LIBOR indices. At December 31, 1996, the prime rate was 8.25% and LIBOR ranged from 5.7375% to 5.8188% for one, three, six and twelve month indices.

Master commitment

The Master Commitment represents a $30,000 commitment from a bank to provide funding for development of and/or term financing for the acquisition of shopping centers. The Company may draw on the Master Commitment in amounts not to exceed 75% of the lesser of the actual cost or value of each shopping center financed. Interest on loans made under the Master Commitment is payable monthly at rates generally based on prime and/or LIBOR. The Master Commitment also contains restrictions on borrowings based on certain performance tests as defined in the debt agreement. At December 31, 1996 the rate on the two outstanding loans was approximately 7.63%. The loans mature in 1999.

Term facility

The Term Facility represents a $50,000 credit facility from a bank to provide funding for the acquisition or refinancing of shopping centers. Interest on loans made under the Term Facility is payable monthly at rates generally based on prime and/or LIBOR. The Term Facility also contains restrictions on borrowings based on certain performance tests as defined in the debt agreement. At December 31, 1996 the rate on the four outstanding loans was approximately 7.09%. The loans mature in November 1998.

Other construction notes payable

Other construction notes payable represent three construction loans to fund development of three shopping centers. Two of the notes with an aggregate principal balance of $2,380 require monthly payments of interest only at rates generally based on prime and/or LIBOR. At December 31, 1996 the rate on the loans was approximately 7.49%. One note with a principal balance of $2,208 matures during 1998. The other note with a balance of $172 matures in 2001. The remaining construction note in the amount of $1,700 is payable to a unitholder of the Company at a fixed rate of 9.00%. Interest and principal are due at maturity in June of 1997.

Build-to-suit facility

The build-to-suit facility represents a $15,000 credit facility from a bank to provide funding for the construction of certain retail projects. Interest on loans made under the build-to-suit facility is payable monthly at rates generally based on prime and/or LIBOR. The build-to-suit facility also contains restrictions on borrowings based on certain performance tests as defined in the debt agreement. At December 31, 1996 the rate on the four outstanding loans was approximately 7.59%. The loans mature at various dates during 1997.

(Dollars in Thousands)

Line of credit
The Company maintains a $3,000 line of credit with a bank to fund general business operations. The line is renewable annually. Interest is payable monthly at rates based on prime and/or LIBOR.

Other notes payable
Other notes payable at December 31, 1996 represent various loans due in monthly installments of principal and interest at rates ranging from 8.28% to 13.67%. The notes are collateralized by the related furniture, fixtures and equipment.

Interest rate swap agreements
During 1995, the Company entered into three interest rate swap agreements to protect the Company from fluctuations in interest rates on its variable rate debt. At December 31, 1996, the agreements had notional amounts of $1,650, $5,100 and $1,250 with maturity dates of June 12, 1998, June 12, 2000 and June 12, 1998 and fixed rates of 6.08%, 6.25%, and 6.08%, respectively. Notional amounts do not quantify risk or represent assets or liabilities of the Company, but are used in the calculation of interest payments under the contracts. These financial instruments are with a major financial institution, the credit worthiness of which is subject to continuing review and full performance is expected.

Extraordinary item
The extraordinary items resulted from mortgage prepayment penalties of $1,142 in 1995 and the write-off of deferred financing costs of $76 and $243 in 1996 and 1995, respectively.

The aggregate maturities of the above mortgages and other notes payable based on the existing terms discussed above are as follows:

1997	$ 5,628
1998	37,148
1999	14,028
2000	12,750
2001	1,228
2002 and thereafter	48,314
	$ 119,096

Pledged assets
All real estate assets included in the accompanying balance sheet are pledged as collateral on the above mortgages and notes payable.

6. INVESTMENT IN UNCONSOLIDATED PROPERTY PARTNERSHIP

As described in Note 1, the Company's interest in a 50% or less owned property partnership is included in the financial statements using the equity method of accounting. At December 31, 1996 and 1995, the Company effectively held a 30% interest in Roswell Village, Ltd.

7. SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

The following items did not provide or use cash during 1996 and accordingly are not reflected in the statement of cash flows:

The Company assumed a loan in the amount of $8,774 during 1996 in connection with the purchase of a shopping center.

The Company granted a minority interest in two shopping center properties in exchange for a parcel of land and certain development services in the amount of $1,439.

The Company sold two developments held for resale whereby the purchaser assumed debt of $2,500.

The Company declared and accrued a distribution of $1,400 at December 31, 1996.

The following items did not provide or use cash during 1995 and accordingly are not reflected in the statement of cash flows.

As a result of the application of purchase accounting for the exchange of units for property interest in connection with the Business Combination, real estate assets increased by $10,643, deferred charges decreased by $1,000, tenant receivables decreased by $1,822 and partners' equity increased by $7,821.

The Company assumed two loans totaling $7,570 during 1995 in connection with the purchase of shopping centers.

In conjunction with the Business Combination, $2,830 of Units were issued in satisfaction of $1,830 of unsecured notes payable and $1,000 of other liabilities.

See Notes 1 and 2 for discussion of additional non-cash investing and financing activities.

(Dollars in Thousands)

8. OPERATING LEASES

The shopping centers are leased to tenants under operating leases with expiration dates extending to the year 2018. Future minimum rentals under noncancelable operating leases, excluding tenant reimbursements of operating expenses and additional contingent rentals based on tenants' sales volume, as of December 31, 1996 are as follows:

1997	$ 17,086
1998	14,853
1999	12,067
2000	10,410
2001	7,902
2002 and thereafter	48,304

Minimum rents, as presented in the consolidated/combined statements of operations for the three years ended December 31, 1996, contain straight-line adjustments for rental revenue increases over the terms of the respective lease agreements in accordance with generally accepted accounting principles. The aggregate rental revenue increases resulting from the straight-line adjustments for the years ended December 31, 1996, 1995 and 1994 were $308, $251 and $189, respectively.

No single tenant collectively accounts for more than 10% of the Company's total rental revenues.

9. INCOME TAXES

BPL is a partnership and is not subject to Federal and state income taxes. Accordingly, no recognition has been given to income taxes in the accompanying consolidated financial statements of BPL since the income or loss is to be included in the tax returns of the individual partners. BPL's tax return is subject to examination by federal and state taxing authorities. If such examinations result in adjustments to distributive shares of taxable income or loss, the tax liability of the partner's would be adjusted accordingly.

Two of the entities included in the combined financial statements of BG are foreign corporations and are subject to Federal and state income taxes; however, the amounts accrued or paid for income taxes were not material in relation to the combined financial statements. All other entities included in the combined financial statements of BG are either partnerships or S Corporations and are not subject to Federal and state income taxes. Accordingly, no recognition has been given to income taxes in the accompanying financial statements of BG since the income or loss of the other entities is to be included in the tax returns of the individual owners. The tax returns of the other entities are subject to examination by Federal and state taxing authorities.

(Dollars in Thousands)

If such examinations result in adjustments to distributive shares of taxable income or loss, the tax liability of the owners of the other entities would be adjusted accordingly.

10. PROFIT SHARING PLAN

The employees of the Company are eligible to participate in a profit sharing plan pursuant to Section 401(k) of the Internal Revenue Code. The Company matches 25% of the participant's contributions to the plan up to a maximum of 4% of compensation. Contributions of $25, $25 and $24 were made for the years ended December 31, 1996, 1995 and 1994, respectively.

11. COMMITMENTS AND CONTINGENCIES

Office and equipment leases
BPL is party to office and equipment operating leases with terms expiring in years 1995 through 2001. Future minimum lease payments for noncancelable office and equipment leases at December 31, 1996 are as follows:

1997	$ 368
1998	337
1999	340
2000	347
2001	175

The Company incurred $365, $408 and $370 of rent expense for the years ended December 31, 1996, 1995 and 1994, respectively.

Contingencies
BPL is party to various legal actions which are incidental to its business. Management believes that these actions will not have a materially adverse effect on the consolidated financial statements.

Purchase commitments
At December 31, 1996, the Company had entered into agreements to acquire two additional shopping centers for an aggregate purchase price of $16,440. The acquisition of both centers was completed by January 31, 1997 and was funded with $9,800 of new debt and $6,940 from the Equity Commitment. In addition, at December 31, 1996, the Company had entered into an agreement to acquire land for future development at an aggregate purchase price of $820, which was completed by February 28, 1997.

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12. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosures of estimated fair value were determined by management using available market information and appropriate valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts Branch could realize on disposition of the financial instruments. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, tenant receivables, other assets, accounts payable, accrued expenses, mortgages and notes payable, interest rate swap agreements and other liabilities are carried at amounts which reasonably approximate their fair values.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 1996 and 1995. Although management is not aware of any factors that would significantly affect the reasonable fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

13. SUBSEQUENT EVENTS

As discussed in Note 2, certain partners in the Initial Properties have the right to earn additional Priority Units subject to the achievement of certain operating results. On January 1, 1997, the Company issued a total of 38,044 Priority Units in satisfaction of this obligation.

On February 28, 1997, the Company drew the remaining balance of the Equity Commitment in the amount of $1,135.

On March 7, 1997, the Company transferred substantially all of its assets to Regency Realty Corporation in exchange for approximately $97,831 in common stock and/or common stock equivalents and the assumption of approximately $122,144 of debt (net of minority interests). In addition, the unitholders of the Company have the right to earn additional shares subject to certain performance criteria as defined in the Contribution Agreement between the parties.

Regency Realty Corporation
Pro Forma Consolidating Balance Sheet
December 31, 1996
(Unaudited)
(In thousands, except share and per share data)

	Regency Retail L.P. ("Partnership") Branch Properties L.P.	Pro Forma Adjustments	Partnership Pro Forma	Regency Realty Corp.	Other Adjustments	Regency Realty Corp. Pro Forma
Assets						
Real estate rental property, at cost	$ 156,997	56,425 (a)	213,422	390,673	-	604,095
Less: accumulated depreciation	12,891	-	12,891	26,213	-	39,104
Real estate rental property, net	144,106	56,425	200,531	364,460	-	564,991
Construction in progress	28,575	-	28,575	1,695	-	30,270
Investments in unconsolidated real estate partnerships	710	-	710	1,035	-	1,745
Investment in Regency Retail, L.P.	-	-	-	-	26,000 (c) 4,183 (d) (30,183)(e)	-
Total investments in real estate, net	173,391	56,425	229,816	367,190	-	597,006
Cash and cash equivalents	325	-	325	8,293	-	8,618
Accounts receivable and other assets	10,017	(4,866)(a)	5,151	11,041	-	16,192
	$ 183,733	51,559	235,292	386,524	-	621,816
Liabilities and Stockholders' Equity						
Securitized mortgage loan	$ -	-	-	51,000	-	51,000
Other mortgage loans	119,096	(25,728)(b)	93,368	46,906	-	140,274
Acquisition and development line of credit	-	-	-	73,701	-	73,701
Total Notes Payable	119,096	(25,728)	93,368	171,607	-	264,975
Tenant security and escrow deposits	701	-	701	1,382	-	2,083
Accounts payable & other liabilities	8,560	5,250 (a) (272)(b)	13,538	6,301	-	19,839
Total Liabilities	128,357	(20,750)	107,607	179,290	-	286,897
Minority Interests in Consolidated Partnerships	6,915	-	6,915	-	-	6,915
Redeemable Partnership Units	48,461	46,309 (a) 26,000 (b)	120,770	508	(30,183)(e)	91,095
Stockholders' Equity						
Common stock and additional paid in capital	-	-	-	223,212	26,000 (c) 4,183 (d)	253,395
Distributions in excess of net income	-	-	-	(16,486)	-	(16,486)
Total Stockholders' Equity	-	-	-	206,726	30,183	236,909
	$ 183,733	51,559	235,292	386,524	-	621,816

See notes to pro forma consolidating balance sheet

Regency Realty Corporation
Notes to Pro Forma Consolidating Balance Sheet
(Unaudited)
(In thousands, except share and per share data)

Adjustments to Pro Forma Consolidating Balance Sheet - Regency Retail L.P. ("Partnership") Pro Forma

(a) To reflect the allocation of the total purchase price of $100,020 and the assumption of existing liabilities including outstanding debt and tenant security deposits. The total purchase price is comprised of $94,770 resulting from the issuance of 3,529,598 redeemable partnership units ("Units") in the Partnership, and additional liabilities incurred of $5,250. The Units are valued based upon $26.85 per share, which is the average closing price of Regency's common stock shortly before and after the date of the acquisition announcement. The additional liabilities incurred as part of the transaction are comprised of $750 for the issuance of Units in the future as part of the agreement, $2,750 for legal, accounting, consultants, real estate transfer costs, and other costs related to the acquisition, and $1,750 for severance payments to existing Branch employees to be terminated. The total purchase price has been allocated to the assets and liabilities based upon estimated fair market value.

(b) To reflect a partial paydown of existing mortgage loans ($25,728) and the partial payment of other liabilities ($272) from proceeds of new Units issued (1,175,142) to Regency for cash.

Other Adjustments to Pro Forma Consolidating Balance Sheet - Regency Realty Corporation

(c) To reflect the issuance of 1,475,178 Regency common shares at $17.625 to a stockholder (Security Capital) for cash and the subsequent investment of the proceeds by Regency into additional Units of the Partnership.

(d) To reflect the redemption of 155,797 Units into Regency common stock at $26.85 per share. The Unit holders may redeem their units for Regency common stock subject to stockholder approval at the meeting expected to be held during May, 1997; however, the Unit holders are not obligated to redeem their units for Regency common stock. Outstanding Units not yet redeemed for Regency common stock of 3,373,801 are shown as minority interest in the pro forma consolidated financial statements until they exercise their redemption right.

(e) To reflect the elimination of Regency's investment in the Partnership (initial investment of $26,000 plus the market value of 155,727 Units redeemed for Regency common stock.)

Regency Realty Corporation
Pro Forma Consolidating Statement of Operations
For the Year Ended December 31, 1996
(Unaudited)
(In thousands, except share and per share data)

	Regency Retail L.P. ("Partnership")					
	Branch Properties L.P	Pro Forma Adjustments	Partnership Pro Forma	Regency Realty Corp.	Consolidation Adjustments	Regency Realty Corp. Pro Forma
Real estate operation revenues:						
Minimum rent	$ 16,449	-	16,449	34,706	-	51,155
Percentage rent	150	-	150	998	-	1,148
Recoveries from tenants	3,254	-	3,254	7,729	-	10,983
Other recoveries and income	321	-	321	-	-	321
Acquisition and development fees	828	-	828	70	-	898
Leasing and brokerage	2,748	-	2,748	2,782	-	5,530
Management fees	879	-	879	592	-	1,471
Equity income of unconsolidated partnerships	-	-	-	70	-	70
Total real estate operation revenues	24,629	-	24,629	46,947	-	71,576
Real estate operation expenses:						
Depreciation and amortization	3,165	1,976 (b)	5,141	8,758	-	13,899
Operating and maintenance	7,608	-	7,608	7,656	-	15,264
General and administrative	2,547	-	2,547	6,048	-	8,595
Real estate taxes	1,596	-	1,596	4,409	-	6,005
Total real estate operation expenses	14,916	1,976	16,892	26,871	-	43,763
Other expense (income)						
Interest expense	7,366	(2,144)(a)	5,222	10,777	-	15,999
Interest income	-	-	-	(666)	-	(666)
Branch formation expenses	108	-	108	-	-	108
Net other expense	7,474	(2,144)	5,330	10,111	-	15,441
Minority interest in consolidated property partnerships	(482)	-	(482)	-	(1,298) (c)	(1,780)
Income before extraordinary item from continuing operations	1,757	168	1,925	9,965	(1,298)	10,592
Preferred stock dividends	-	-	-	(58)	-	(58)
Income before extraordinary item for common stockholders	$ 1,757	168	1,925	9,907	(1,298)	10,534
Earnings per share (note (d)):						
Primary						$ 0.77
Fully diluted						$ 0.75

See notes to pro forma consolidating statement of operations

Regency Realty Corporation
Notes to Pro Forma Consolidating Statements of Operations
(Unaudited)

(a) To reflect a reduction in interest expense due to the issuance of additional Units to Regency for cash and the subsequent paydown of certain outstanding mortgage loans in the amount of $25.7 million. (based on weighted average rate of 8.33% on current outstanding debt).

(b) To reflect an increase in depreciation expense due to the increased carrying value of the real estate rental property acquired as part of this transaction.

	December 31, 1996
Operating real estate assets, net	144,106,000
Purchase price allocation to real estate investment	56,424,706
Adjusted book value	200,530,706
Estimated % of book value allocated to depreciable property	78%
Depreciation basis of real estate investment	156,413,951
Estimated average useful life	32
Annual depreciation expense	4,887,936
Depreciation expense recorded	2,912,294
Pro Forma depreciation adjustment	1,975,642

(c) Minority interest in Regency Retail L.P.

At closing, the Company invested $26 million in the Partnership in exchange for Units, and issued 155,797 shares of Common stock. For purposes of determining minority interest, the Company owned 32.6% of the outstanding Units in the Partnership. If approved by the Company's shareholders, the outstanding Units held by minorities will be redeemable for Common stock. Minority interest has been reflected in the pro forma income statement as if the outstanding Units have not been redeemed.

Regency Realty Corporation
Notes to Pro Forma Consolidating Statements of Operations
(Unaudited)

(d) Earnings per Share

		December 31, 1996
Primary Common Shares and Per Share Calculation:		
Regency - weighted average shares outstanding		10,341,239
Units redeemed for Regency common stock		155,797
Units redeemable for Regency common stock upon shareholder approval		3,373,801
Redeemable Units issuable in the future not contingent		33,898
Issuance of Regency common stock to stockholder		1,475,178
Total Primary Shares		15,379,913
Income from continuing operations before extraordinary item for common stockholders		10,534,443
Minority Interest in Partnership		1,297,915
Income for Primary Shareholders		11,832,358
Primary earnings per share	$	0.77
Fully Diluted Common Shares and Per Share Calculation:		
Contingent Units or common stock that could be issued to previous Branch owners in 1998, 1999, and 2000 if earned per the terms of the Contribution Agreement (note 1).		1,020,061
Total Fully Diluted Shares		16,399,974
Required increase in income from real estate operations necessary to earn contingent shares, less applicable depreciation on increased purchase price.		438,718
Income from continuing operations before extraordinary item for common stockholders for computation of fully diluted earnings per share		12,271,076
Fully diluted earnings per share	$	0.75

Note 1: Since issuance of additional consideration is contingent upon increased earnings, net income has been adjusted to give effect to the increase in earnings specified by the Contribution Agreement that results in the largest potential dilution, and outstanding shares have been adjusted to include those shares contingently issuable upon attainment of the increased earnings level.

SIGNATURES

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

REGENCY REALTY CORPORATION
(registrant)

March 20, 1997

By: /s/ J. Christian Leavitt

J. Christian Leavitt
Secretary and Treasurer