UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR15(d) OF THE SECURITIES EXCHANGE ACT OF1934 For the fiscal year ended December 31, 1997

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transaction period from_____to_____
Commission File Number 1-12298

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

FLORIDA	59-3191743
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer identification No.)
121 West Forsyth Street, Suite 200 Jacksonville, Florida 32202 (Address of principal executive offices) (zip code)	(904) 356-7000 (Registrant's telephone No.)

Securities registered pursuant to Section 12(b)of the Act: None

Common Stock, $.01 par value
(Title of Class)

New York Stock Exchange
(Name of exchange on which registered)

Securities registered pursuant to Section(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. YES (X) NO ( )

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

The aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately $302,578,000 based on the closing price on the New York Stock Exchange for such stock on March 16, 1998. The approximate number of shares of Registrant's Common Stock outstanding was 24,304,576 as of March 16, 1998.

Documents Incorporated by References

Portions of the Registrant's Proxy Statement in connection with its 1998 Annual Meeting of Shareholders are incorporated by reference in Part III.

TABLE OF CONTENTS

PART II

PART III

PART IV

PART I

Item 1. Business

Organization and Shopping Center Business: Regency Realty Corporation's ("Regency" or the "Company") principal business is owning, operating and developing grocery anchored neighborhood infill shopping centers in the Eastern Unites States. Infill refers to shopping centers within a targeted investment market offering sustainable competitive advantages such as barriers to entry resulting from zoning restrictions, growth management laws, or limited new competition from development or expansions. The Company is focused on building a platform of grocery anchored neighborhood shopping centers because grocery stores provide convenience shopping of daily necessities and foot traffic for adjacent local tenants, and should withstand adverse economic conditions.

The Company, a Florida corporation organized in 1993, commenced operations as a real estate investment trust in 1993 with the completion of its Initial Public Offering ("IPO"), and was the successor to the real estate business of The Regency Group, Inc. which had operated since 1963.

At December 31, 1997, the Company's 89 properties contained 10 million square feet of gross leasable area ("GLA") and were 92.8% leased. 86 of the properties are neighborhood shopping centers, and 70 are grocery anchored. The properties are located primarily in Florida (53% of GLA) and Georgia (25% of GLA). At December 31, 1997, approximately 9.8%, 5.0%, 3.0%, and 2.5% of annualized total rent is received from Publix, Winn-Dixie, Kroger, and Harris Teeter, respectively. For more specific data and information about the properties owned by the Company see Item 2. Properties, and Item 7. Management's Discussion and Analysis, included elsewhere in this Form 10-K. The Company also performs property management and leasing on approximately 4 million square feet owned by third parties that generate fees and have the potential for creating synergistic relationships that lead to additional acquisition, development, management and leasing opportunities.

Operating and Investment Philosophy: The Company's key operating and investment objectives are (1) to generate superior shareholder returns by sustaining above average annual increases in funds from operations and long term growth in free and clear cash flow, (2) to create the largest real estate portfolio of quality grocery anchored neighborhood shopping centers in targeted infill markets in the Eastern United States, (3) to build the strongest possible capital structure through conservative financial management that will cost effectively provide the capital to fund the Company's growth strategy, and (4) to put in place the people and processes necessary to enable the Company to implement its Retail

Operating System, a system which incorporates research based investment strategies and value added leasing and management systems.

Management believes that the key to successful implementation of its strategies is to continue to exploit the Company's competitive strengths which include, its cohesive and experienced management team, its research capabilities, its strong capital structure, its access to competitively priced capital, its client relationships, its market expertise in targeted markets, its growing critical mass of quality grocery anchored neighborhood shopping centers, and its vibrant targeted investment markets that enjoy a favorable environment for retail sales.

As of December 31, 1997, the Company has acquired 67 properties at a cost of $646.5 million since its IPO in 1993. The Company's total market capitalization at December 31, 1997 was $1.04 billion. At December 31, 1997, the Company's debt to total market capitalization was 32.4%. The Company intends to continue its emphasis on acquiring and developing grocery anchored neighborhood shopping centers that are the most significant shopping centers serving a targeted market that offer daily necessities and convenience.

Acquisitions and Developments: On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. ("RRLP"), substantially all of the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia, for $232.4 million. The assets acquired from Branch included 100% fee simple interests in 19 operating shopping centers and 1 center under development, and also partnership interests (ranging from 50% to 93%) in four partnerships with outside investors that owned 4 operating shopping centers and 2 centers under development. At closing and during 1997, RRLP issued 3,572,427 units of limited partnership interest (the "Units") and the Company issued 155,797 shares of common stock in exchange for the assets acquired and the liabilities assumed from Branch. Additional Units and shares of common stock may be issued during 1998 and 1999 based on the performance of certain properties, limited to 722,997 Units issued in 1998 and 1,020,061 Units issued in total during 1998 and 1999.

During 1997, in addition to the Branch Properties, the Company acquired 13 grocery anchored shopping centers for $163.3 million representing 1.9 million SF, two of which are partially operating while undergoing redevelopment. During 1996, the Company acquired 13 grocery anchored shopping centers representing 1.4 million square feet for $107.1 million.

On March 11, 1998, the Company, through RRLP, acquired the real estate assets of entities comprising the Midland Group ("Midland") consisting of 21 shopping centers (the "Midland Properties") plus a development pipeline of 11 shopping centers. Of the 21 centers acquired, 20 are anchored by Kroger. Eight of the shopping centers included in the development pipeline will be owned through a joint venture in which the Company will own less than a 50% interest upon completion of construction. At closing and during 1998, the Company will pay approximately $230.4 million. Subsequent to 1998, the Company expects to pay approximately $12.7 million to acquire equity interests in the development pipeline as the properties reach stabilization. The Company may also be required to make payments aggregating $10.5 million through the year 2000 contingent upon increases in net income from existing properties, the development pipeline, and new properties developed or acquired in accordance with the contribution agreement.

The Company finances the acquisition of shopping centers through the issuance of Units in RRLP, the assumption of existing debt, and from its $150 million line of credit (the "Line"). On February 24, 1998, the Company entered into a commitment agreement with its lenders to increase the unsecured commitment amount of the Line to $300 million, provide for a $150 million competitive bid facility, and reduce the interest rate on the line based upon achieving an investment grade rating from two agencies of BBB- or higher. Once ratings are achieved, the interest rate on the Line will be reduced to Libor plus .95%, and further reduced if the Company receives ratings better than the minimum requirement from both agencies. During the 1st quarter of 1998, the Company received investment grade ratings from Moody's of Baa2, and S&P of BBB-. The Company repays the Line with proceeds from the sale of common stock.

During 1996, the Company entered into a Stock Purchase Agreement (the "Agreement") with SC-USREALTY. Under the Agreement, the Company agreed to sell 7,499,400 shares of common stock to SC-USREALTY at a price of $17.625 per share (the fair market value of the Company's Common Stock on the date the terms of the Agreement were reached) representing total maximum proceeds of approximately $132 million. During 1996, the Company sold SC-USREALTY 3,651,800 shares for approximately $64.4 million and during 1997, the Company sold the remaining 3,847,600 shares generating proceeds of approximately $67.8 million all of which was used to pay down the Line.

As part of the Agreement, SC-USREALTY also has participation rights entitling them to purchase additional equity in the Company at the same price as that offered to other purchasers in order to preserve their pro rata ownership in the Company. In connection with the Units and shares of common stock issued in exchange for Branch's assets on March 7, 1997, SC-USREALTY acquired 1,750,000 shares for $38.7 million.

On July 11, 1997, the Company sold 2,415,000 shares to the public at $27.25 per share. In connection with that offering, SC-USREALTY purchased 1,785,000 shares at $27.25 directly from the Company. On August 11, 1997, the Underwriters exercised the over-allotment option and the Company issued an additional 129,800 shares to the public and 95,939 shares to SC-USREALTY at $27.25 per share. Total net proceeds from the sale of common stock to the public and SC-USREALTY of approximately $117 million were used to reduce the balance of the Line. The unused commitment currently available under the Line for future acquisition and development activity is approximately $101.9 million at December 31, 1997.

Matters Relating to the Real Estate Business: The Company is subject to certain business risks arising in connection with owning real estate which include, among others, (1) the bankruptcy or insolvency of, or a downturn in the business of, any of its anchor tenants, (2) the possibility that such tenants will not renew their leases as they expire, (3) vacated anchor space affecting the entire shopping center because of the loss of the departed anchor tenant's customer drawing power, (4) risks relating to leverage, including uncertainty that the Company will be able to refinance its indebtedness, and the risk of higher interest rates, (5) the Company's inability to satisfy its cash requirements for operations and the possibility that the Company may be required to borrow funds to meet distribution requirements in order to maintain its qualification as a REIT, (6) potential liability for unknown or future environmental matters and costs of compliance with the Americans with Disabilities Act, and (7) the risk of uninsured losses. Unfavorable economic conditions could also result in the inability of tenants in certain retail sectors to meet their lease obligations and otherwise could adversely affect the

Company's ability to attract and retain desirable tenants. The Company believes that the shopping centers are relatively well positioned to withstand adverse economic conditions since they typically are anchored by grocery stores, drug stores and discount department stores that offer day-to-day necessities rather than luxury goods.

Compliance with Governmental Regulations: The Company like others in the commercial real estate industry, is subject to numerous environmental laws and regulations particularly as they pertain to dry cleaning plants. Although potential liability could exist for unknown or future environmental matters, the Company believes that dry cleaning tenants are operating in accordance with current laws and regulations and has established procedures to monitor these operations.

Competition: There are numerous shopping center developers, real estate companies and other owners of real estate that operate in the Eastern United States that compete with the Company in seeking retail tenants to occupy vacant space, for the acquisition of shopping centers, and for the development of new shopping centers.

Changes in Policies: The Company's Board of Directors determines the Company's policies with respect to certain activities, including its debt capitalization, growth, distributions, REIT status, and investment and operating policies. The Board of Directors has no present intention to amend or revise these policies. However, the Board of Directors may do so at any time without a vote of the Company's stockholders.

Employees: The Company's headquarters are located in Jacksonville, Florida. The Company presently maintains nine offices in which it conducts management and leasing activities located in Florida, Georgia, North Carolina, Ohio, and Missouri. As of March 16, 1998, the Company had approximately 360 employees and believes that relations with its employees are good.

Item 2. Properties

The Company's properties summarized by state including their gross leasable areas (GLA) follows:

Location	December 31, 1997			December 31, 1996		
	# Properties	GLA	% Leased	# Properties	GLA	% Leased
Florida	45	5,267,894	91.5%	34	3,958,423	94.7%
Georgia	25	2,539,507	92.4%	6	592,351	90.5%
North Carolina	6	554,332	99.0%	3	260,094	98.6%
South Carolina	1	79,743	84.3%	0	0	NA
Tennessee	3	208,386	98.5%	0	0	NA
Ohio	2	629,920	89.1%	0	0	NA
Alabama	3	516,080	99.9%	5	516,080	99.7%
Mississippi	2	185,061	96.9%	2	185,061	100.0%
Total	89	9,980,923	92.8%	50	5,512,009	95.0%

The following table summarizes the largest tenants occupying the Company's shopping centers based upon percentage of total annual rent exceeding 1% at December 31, 1997:

Summary of Principal Tenants > 1% of Annualized Total Rent
(including Properties Under Development)

Tenant	SF	% to Company Owned GLA	Rent (1)	% to Company Rent (1)	# of Stores
Publix	1,209,726	12.1%	$10,079,616	9.8%	28
Winn Dixie	687,513	6.9%	$5,160,365	5.0%	15
Kroger	359,456	3.6%	$3,095,298	3.0%	6
Harris Teeter	184,563	1.8%	$2,576,534	2.5%	4
Walgreens	177,365	1.8%	$2,324,358	2.3%	13
Eckerd	197,569	2.0%	$2,163,965	2.1%	20
Blockbuster	122,893	1.2%	$2,063,840	2.0%	19
K-Mart	341,264	3.4%	$1,975,338	1.9%	4
Wal-Mart	393,487	3.9%	$1,907,608	1.9%	5
Brunos	119,840	1.2%	$1,085,574	1.1%	3
AMC Theater	72,616	0.7%	$1,075,485	1.0%	1

(1) Rent includes annual base rent, percentage rent, and reimbursements for common area maintenance, real estate taxes, and insurance as of December 31,1997

The Company's leases have lease terms generally ranging from three to five years for tenant space under 5,000 square feet. Leases greater than 10,000 square feet generally have lease terms in excess of five years, mostly comprised of anchor tenants. Many of the anchor leases contain provisions allowing the tenant the option of extending the term of the lease at expiration. The Company's leases provide for the monthly payment in advance of fixed minimum rentals, additional rents calculated as a percentage of the tenant's sales, the tenant's pro rata share of real estate taxes, insurance, and common area maintenance expenses, and reimbursement for utility costs if not directly metered. The following table sets forth a schedule of lease expirations for the next ten years, assuming that no tenants exercise renewal options:

Lease Expiration Year	Expiring GLA	Percent of Total Company GLA	Future Minimum Rent Under Expiring Leases	Percent of Total Minimum Rent (2)
(1)	261,091	2.9%	$2,697,050	3.0%
1998	798,530	8.8%	9,027,940	10.1%
1999	859,765	9.5%	10,207,450	11.5%
2000	731,694	8.1%	9,241,225	10.4%
2001	719,133	7.9%	8,698,419	9.8%
2002	892,399	9.9%	8,555,657	9.6%
2003	487,519	5.4%	4,386,541	4.9%
2004	318,523	3.5%	2,861,126	3.2%
2005	231,293	2.6%	2,350,900	2.6%

2006	431,671	4.8%	3,926,686	4.4%
2007	435,279	4.8%	3,645,314	4.1%
10 Yr Total	6,166,897	68.1%	$65,598,308	73.7%

(1) leased currently under month to month rent or in process of renewal (2) total minimum rent includes current minimum rent and future contractual rent steps for all properties, but excludes additional rent such as percentage rent, common area maintenance, real estate taxes and insurance reimbursements.

See the property table below and also see Item 7, Management's Discussion and Analysis for further information about the Company's properties.

The following table describes the Company's properties owned at December 31, 1997:

Property Name	Year Acquired	Year Constructed	Gross Leasable Area (GLA)	Percentage Leased	Grocery GLA	Grocery Anchor
FLORIDA						
Jacksonville / North Florida						
Anastasia Shopping Plaza	1993	1988	102,342	98.3%	48,555	Publix
Bolton Plaza	1994	1988	172,938	97.4%	-	
Carriage Gate	1994	1978	76,833	86.2%	-	
Courtyard	1987	1987	67,794	46.4%	66,446	Albertsons(t)
Ensley Square (j)	1997	1977	62,361	97.1%	47,786	Delchamps
Millhopper	1993	1974	84,444	88.3%	37,244	Publix
Newberry Square	1994	1986	181,006	96.2%	39,795	Publix
Old St. Augustine Plaza	1996	1990	170,220	100.0%	42,112	Publix
Palm Harbor	1996	1991	168,448	97.1%	45,254	Publix
Pine Tree Plaza (d)	1997	1998	60,488	95.5%	37,888	Publix
Regency Court	1997	1992	218,665	99.0%	-	
South Monroe Commons (d)	1996	1998	80,214	82.0%	48,466	Winn-Dixie
Village Commons (j)	1988	1988	105,895	91.2%	-	
Tampa / Orlando						
Mainstreet Square	1997	1988	107,159	88.8%	56,000	Winn-Dixie
Mariner's Village	1997	1986	117,665	95.0%	45,500	Winn-Dixie
Market Place - St. Petersburg	1995	1983	90,296	100.0%	36,464	Publix
Peachland Promenade	1995	1991	82,082	97.4%	48,890	Publix
Regency Square at Brandon	1986	1986	341,751	81.1%	-	
Seven Springs	1994	1986	162,580	95.1%	35,000	Winn-Dixie
Terrace Walk	1990	1990	50,926	56.8%	-	
Town Square	1997	1986	42,969	100.0%	14,074	Kash 'N Karry
University Collections	1996	1984	106,627	97.7%	40,143	Kash N Karry (t)
Village Center-Tampa	1995	1993	181,096	98.7%	36,434	Publix
West Palm Beach / Treasure Coast						
Boynton Lakes Plaza	1997	1993	130,724	89.4%	44,000	Winn-Dixie
Chasewood Plaza	1992	1986	141,034	90.1%	39,795	Publix
Chasewood Storage	1992	1986	42,810	99.9%	-	
East Port Plaza	1997	1991	231,656	99.4%	42,112	Publix
Martin Downs Village Center	1992	1985	121,998	92.0%	-	
Martin Downs Village Shoppes	1992	1988	49,235	91.5%	-	
Ocean Breeze	1992	1985	111,551	93.2%	36,464	Publix
Ocean East (j)	1996	1997	112,894	77.5%	38,100	Stuarts Fine Foods
Tequesta Shoppes	1996	1986	109,766	91.8%	39,795	Publix
Town Center at Martin Downs	1996	1996	64,546	100.0%	56,146	Publix
Wellington Market Place	1995	1990	178,555	91.2%	46,475	Winn-Dixie
Wellington Town Square	1996	1982	105,150	93.8%	36,464	Publix
Miami / Ft. Lauderdale						
Aventura	1994	1974	102,876	92.1%	35,908	Publix
Berkshire Commons	1994	1992	106,434	100.0%	65,537	Publix
Garden Square	1997	1991	90,258	96.3%	42,112	Publix
North Miami	1993	1988	42,500	100.0%	32,000	Publix
Palm Trails Plaza (d)	1997	1998	76,067	78.3%	59,562	Winn-Dixie
Tamiami Trail	1997	1987	110,867	93.8%	42,112	Publix
University Market Place	1990	1990	129,121	63.1%	63,139	Albertsons(t)
Welleby	1996	1982	109,949	90.0%	46,779	Publix
subtotal			5,002,790	91.5%		

<FN>
(d) property under development or redevelopment
(j) property owned by joint venture - Regency's interest is less than 100%
(R) or last renovation
(t) tenant owns its own building
</FN>

Property Name	Drug Store	Other Anchors or Majors

FLORIDA		
Jacksonville / North Florida		
Anastasia Shopping Plaza		
Bolton Plaza		Wal-Mart
Carriage Gate		TJ Maxx
Courtyard		
Ensley Square (j)		
Millhopper	Eckerd	
Newberry Square		Kmart
Old St. Augustine Plaza	Eckerd	Waccamaw
Palm Harbor	Eckerd	Bealls
Pine Tree Plaza (d)		
Regency Court		CompUSA, Office Depot, Sports Authority
South Monroe Commons (d)	Eckerd	
Village Commons (j)		Wal-Mart (t), Stein Mart
Tampa / Orlando		
Mainstreet Square	Walgreen's	
Mariner's Village	Walgreen's	
Market Place - St. Petersburg	Eckerd	
Peachland Promenade		Ace Hardware
Regency Square at Brandon		TJ Maxx, AMC, Staples, Marshalls, Michaels
Seven Springs		Kmart
Terrace Walk		
Town Square	Rite Aid	
University Collections	Eckerd	
Village Center-Tampa	Walgreen's	Stein Mart
West Palm Beach / Treasure Coast		
Boynton Lakes Plaza	Walgreen's	
Chasewood Plaza	Walgreen's	
Chasewood Storage		
East Port Plaza	Walgreen's	Kmart, Sears Homelife
Martin Downs Village Center	Walgreen's	Coastal Care
Martin Downs Village Shoppes		
Ocean Breeze	Walgreen's	Coastal Care
Ocean East (j)		Coastal Care
Tequesta Shoppes	Walgreen's	
Town Center at Martin Downs		
Wellington Market Place	Walgreen's	United Artists
Wellington Town Square	Eckerd	
Miami / Ft. Lauderdale		
Aventura	Eckerd	Humana
Berkshire Commons	Walgreen's	
Garden Square	Eckerd	
North Miami	Eckerd	
Palm Trails Plaza (d)		
Tamiami Trail	Eckerd	
University Market Place		Linens Supermarket
Welleby	Walgreen's	

<FN>

(d) property under development or redevelopment
(j) property owned by joint venture - Regency's interest is less than 100%
(R) or last renovation
(t) tenant owns its own building
</FN>

Property Name	Year Acquired	Year Constructed	Gross Leasable Area (GLA)	Percentage Leased	Grocery GLA	Grocery Anchor
- -------------	--------	-----------	----------	------	---	------
GEORGIA						
Atlanta						
Ashford Place	1997	1993	53,345	100.0%	-	
Braelin Village (j)	1997	1991	225,922	95.4%	63,986	Kroger
Briarcliff LaVista	1997	1962	39,201	100.0%	-	
Briarcliff Village	1997	1990	192,660	94.1%	-	
Buckhead Court	1997	1984	55,227	95.8%	-	
Cambridge Square	1996	1979	68,725	91.4%	32,000	Winn-Dixie
Cromwell Square	1997	1990	81,826	83.6%	-	
Cumming 400	1997	1994	126,899	98.9%	56,146	Publix
Dunwoody Hall	1997	1986	79,974	100.0%	34,632	A&P
Dunwoody Village (j)	1997	1975	114,657	96.3%	26,950	Bruno's
Loehmann's Plaza	1997	1986	137,635	86.5%	-	
Lovejoy Station	1997	1995	77,336	98.2%	47,955	Publix
Memorial Bend	1997	1995	177,278	83.6%	56,146	Publix
Orchard Square	1995	1987	85,940	89.8%	36,990	A&P
Paces Ferry Plaza	1997	1987	61,693	100.0%	-	
Powers Ferry Square	1997	1987	97,809	100.0%	7,216	Harry's
Powers Ferry Village	1997	1994	78,995	99.9%	47,955	Publix
Rivermont Station	1997	1996	90,323	98.0%	58,261	Harris Teeter

Roswell Village (d)	1997	1997	144,071	85.4%	37,888	Publix
Russell Ridge	1994	1995	98,556	100.0%	63,296	Kroger
Sandy Plains Village	1996	1992	168,513	75.9%	60,009	Kroger
Sandy Springs Village	1997	1997	48,245	100.0%	41,354	Kroger
Trowbridge Crossing (d) (j)	1997	1997	64,060	86.4%	37,888	Publix
Other Markets						
LaGrange Marketplace	1993	1989	76,327	93.6%	46,733	Winn-Dixie
Parkway Station	1996	1983	94,290	91.4%	42,130	Kroger
subtotal			2,539,507	92.4%		
NORTH CAROLINA						
Charlotte						
Carmel Commons	1997	1979	132,647	95.7%	14,300	Fresh Market
City View	1996	1993	77,550	100.0%	44,000	Winn-Dixie
Union Square	1996	1989	97,191	100.0%	33,000	Harris Teeter
Raleigh / Durham						
Glenwood Village	1997	1983	42,864	100.0%	27,764	Harris Teeter
Woodcroft	1996	1984	85,353	100.0%	26,752	Food Lion
Asheville						
Oakley Plaza	1997	1988	118,727	100.0%	42,317	Bi-Lo
subtotal			554,332	99.0%		

<FN>

(d) property under development or redevelopment
(j) property owned by joint venture - Regency's interest is less than 100%
(R) or last renovation
(t) tenant owns its own building
</FN>

Property Name	Drug Store	Other Anchors or Majors
GEORGIA		
Atlanta		
Ashford Place		Pier 1 Imports
Braelin Village (j)		Kmart
Briarcliff LaVista	Drug Emporium	
Briarcliff Village	Eckerd	TJ Maxx, Office Depot
Buckhead Court		Outback Steakhouse
Cambridge Square		
Cromwell Square	CVS Drug	Haverty's Furniture
Cumming 400		Big Lots
Dunwoody Hall	Eckerd	
Dunwoody Village (j)		
Loehmann's Plaza	Eckerd	Loehmann's
Lovejoy Station		
Memorial Bend		TJ Maxx
Orchard Square	CVS Drug	
Paces Ferry Plaza		
Powers Ferry Square	Drugs for Less	
Powers Ferry Village	CVS Drug	
Rivermont Station	CVS Drug	
Roswell Village (d)	Eckerd	Ace Hardware
Russell Ridge		
Sandy Plains Village		Ace Hardware
Sandy Springs Village		
Trowbridge Crossing (d) (j)		
Other Markets		
LaGrange Marketplace	Eckerd	
Parkway Station		
NORTH CAROLINA		
Charlotte		
Carmel Commons	Eckerd	Piece Goods
City View	CVS Drug	
Union Square	CVS Drug	Consolidated Theatres
Raleigh / Durham		
Glenwood Village		
Woodcroft	Eckerd	True Value
Asheville		
Oakley Plaza	CVS Drug	Baby Superstore, Western Auto

<FN>

(d) property under development or redevelopment
(j) property owned by joint venture - Regency's interest is less than 100%

(R) or last renovation
(t) tenant owns its own building
</FN>

Property Name	Year Acquired	Year Constructed	Gross Leasable Area (GLA)	Percentage Leased	Grocery GLA	Grocery Anchor
OHIO						
Cincinatti						
Hyde Park Plaza	1997	1995	374,743	96.1%	138,592	Kroger,Thriftway
Columbus						
Kingsdale (d)	1997	1998	255,177	78.9%	55,000	Big Bear
subtotal			629,920	89.1%		
ALABAMA						
Birmingham						
Villages of Trussville	1993	1987	69,300	100.0%	38,380	Bruno's
West County Marketplace	1993	1987	129,155	100.0%	42,848	Food World (t)
Montgomery						
Country Club	1993	1991	67,622	99.6%	35,922	Winn-Dixie
Other Markets						
Bonner's Point	1993	1985	87,280	100.0%	34,700	Winn-Dixie
Marketplace - Alexander City	1993	1987	162,723	100.0%	47,668	Winn-Dixie
subtotal			516,080	99.9%		
TENNESSEE						
Nashville						
Harpeth Village (j)	1997	1998	70,091	95.4%	54,510	Bruno's
Marketplace - Murphreesburo (j)	1997	1997	23,500	100.0%	-	
Peartree Village	1997	1997	114,795	100.0%	65,538	Harris Teeter
subtotal			208,386	98.5%		
MISSISSIPPI						
Columbia Marketplace	1993	1988	136,002	95.8%	41,895	Winn-Dixie
Lucedale Marketplace	1993	1989	49,059	100.0%	35,059	Delchamps
subtotal			185,061	96.9%		
SOUTH CAROLINA						
Charleston						
Merchants Village (d)	1997	1997	79,743	84.3%	37,888	Publix
Total			9,980,923	92.8%		

<FN>
(d) property under development or redevelopment
(j) property owned by joint venture - Regency's interest is less than 100%
(R) or last renovation
(t) tenant owns its own building
</FN>

Property Name	Drug Store	Other Anchors or Majors
OHIO		
Cincinatti		
Hyde Park Plaza	Walgreen's	Barnes & Noble, Old Navy, Micheals
Columbus		
Kingsdale (d)		Stein Mart, The Limited, S&K Menswear
ALABAMA		
Birmingham		
Villages of Trussville	CVS Drug	
West County Marketplace	Eckerd	Wal-Mart
Montgomery		
Country Club	Harco	
Other Markets		
Bonner's Point		Wal-Mart
Marketplace - Alexander City		
TENNESSEE		
Nashville		
Harpeth Village (j)		
Marketplace - Murphreesburo (j)		Office Max

Peartree Village	Eckerd	Office Max
MISSISSIPPI		
Columbia Marketplace		Wal-Mart
Lucedale Marketplace		Wal-Mart (t)
SOUTH CAROLINA		
Charleston		
Merchants Village (d)		

<FN>

(d) property under development or redevelopment
(j) property owned by joint venture - Regency's interest is less than 100%
(R) or last renovation
(t) tenant owns its own building
</FN>

Item 3. Legal Proceedings

The Company is not presently involved in any litigation nor, to its knowledge, is any litigation threatened against the Company, except for routine litigation arising in the ordinary course of business such as "slip and fall" litigation which is expected to be covered by insurance. In the opinion of management of the Company, such litigation is not expected to have a material adverse effect on the business, financial condition or results of operations of the Company.

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5.Market for the Registrant's Common Equity and Related Shareholder Matters

The Company's common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "REG". The Company currently has approximately 3,500 shareholders. The following table sets forth the high and low prices and the cash dividends declared on the Company's common stock by quarter for 1997 and 1996.

	1997			1996		
	High Price	Low Price	Cash Dividends Declared	High Price	Low Price	Cash Dividends Declared
March 31	$ 28.000	25.000	.42	17.500	15.875	.405
June 30	28.125	24.875	.42	21.125	16.500	.405
September 30	28.250	24.875	.42	22.375	19.250	.405
December 31	28.000	24.250	.42	26.250	21.125	.405

On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. ("RRLP"), substantially all of the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia, for $232.4 million. The assets acquired from Branch included 100% fee simple interests in 19 operating shopping centers and 1 center under development, and also partnership interests (ranging from 50% to 93%) in four partnerships with outside investors that owned 4 operating shopping centers and 2 centers under development. At closing and during 1997, RRLP issued 3,572,427 units of limited partnership interest (the "Units") and the Company issued 155,797 shares of common stock in exchange for the assets acquired and the liabilities assumed from Branch. The Units are redeemable on a one-for-one basis in exchange for shares of common stock. On June 13, 1997, 3,027,080 partnership units were converted to common stock. In connection with the Units and shares of common stock issued in exchange for Branch's assets, SC-USREALTY acquired 1,750,000 shares during August and December, 1997 at $22.125 per share in accordance with their rights as provided for in the Agreement.

Additional Units and shares of common stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing (each an "Earn-Out Closing"), based on the performance of certain properties (the "Property Earn-Out"), and additional shares of common stock may be issued at the first and second Earn-Out Closings based on revenues earned from third party management and leasing contracts (estimated to be approximately $750). The formula for the Property Earn-Out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for certain properties in the Partnership's portfolio as of February 15 of the year of calculation. The Property Earn-Out is limited to 722,997 Units at the first Earn-Out Closing and 1,020,061 Units at all Earn-Out Closings (including the first Earn-Out Closing). The acquisition of Branch is discussed further in note 2, Acquisition and Development of Real Estate, of the notes to the 1997 consolidated financial statements.

The Company declares quarterly cash dividends on the 2.5 million Class B common shares outstanding. At December 31, 1997, the Class B common was owned by a single shareholder. During 1997, a distribution of $.5140 per share was paid quarterly. During 1996, a distribution of $.4961 per share was paid quarterly. The 2.5 million Class B common shares are convertible into 2,975,468 common shares, subject to certain ownership limitations.

Under the loan agreement with the lenders of the Company's acquisition and development line of credit, distributions may not exceed 95% of Funds from Operations ("FFO") based on the immediately preceding four quarters. FFO is defined in accordance with the NAREIT definition as described under Item 7., Management's Discussion and Analysis. Also in the event of any monetary default, the Company will not make distributions to shareholders.

Item6.Selected Consolidated Financial Data (in thousands, except per share data)

The following table sets forth Selected Financial Data on a historical basis for the five years ended December 31, 1997, for the Company and the commercial real estate business of The Regency Group, Inc. ("TRG" or "Regency Properties"), the predecessor of the Company. This information should be read in conjunction with the financial statements of the Company (including the related notes thereto) and Management's Discussion and Analysis of the Financial Condition and Results of Operations, each included elsewhere in this Form 10-K. The historical Selected Financial Data for Regency Realty Corporation for the four year period ended December 31, 1997 and for the period from July 9, 1993 to December 31, 1993, have been derived from the audited financial statements. The historical Selected Financial Data for the Regency Properties as of November 5, 1993 has been derived from audited financial statements.

Item 6. Selected Consolidated Financial Data (in thousands, except per share data) - (continued)

	Regency Realty Corporation					Regency Properties
	Year Ended December 31,				Period Ended Dec. 31,	Period Ended Nov. 5,
	1997	1996	1995	1994	1993	1993 (note 1)
Operating Data:						
Revenues:						
Rental revenues	$89,306	43,433	31,555	25,673	3,094	7,375
Management, leasing and brokerage fees	8,448	3,444	2,426	2,332	572	2,247
Equity in income of real estate partnership investments	33	70	4	17	3	18
Total revenues	97,787	46,948	33,985	28,022	3,669	9,640
Operating expenses:						
Operating, maintenance and real estate taxes	22,904	12,065	8,683	7,140	862	3,365
General and administrative	9,964	6,048	4,894	4,531	736	2,835
Depreciation and amortization	16,303	8,059	5,854	5,266	679	1,564
Total operating expenses	49,171	26,172	19,431	16,937	2,277	7,764

Interest expense, net of income	18,667	10,811	8,969	5,701	496	3,937
Income before minority interests	29,949	9,965	5,585	5,384	895	(2,061)
Minority interest of redeemable operating partnership units	(2,042)	-	-	-	-	-
Minority interest of limited partners	(505)	-	-	-	-	126
Equity in loss of unconsolidated partnership	-	-	-	-	-	(111)
Other non-recurring income, net	-	-	-	-	-	3,291
Net income	27,402	9,965	5,585	5,384	895	1,245
Preferred stock dividends	-	58	591	283	-	-
Net income for common stockholders	$27,402	9,907	4,994	5,101	895	1,245
Earnings per share (EPS):						
Basic	$1.28	0.82	0.75	0.80	0.14	n/a
Diluted	$1.23	0.82	0.75	0.80	0.14	n/a
Other Data:						
Common stock outstanding including Class B common if converted	26,967	13,590	9,704	6,455	6,333	n/a
Redeemable partnership units outstanding to minority interests	574	59	-	-	-	-
Company owned gross leasable area	9,981	5,512	3,981	3,182	2,337	1,145
Number of properties (at end of period)	89	50	36	30	23	8
Balance Sheet Data:						
Real estate investments at cost	$834,402	393,403	279,046	217,539	152,821	-
Total assets	826,849	386,524	271,005	214,082	153,653	-
Total debt	278,050	171,607	115,617	107,998	53,521	-
Stockholders' equity	513,627	206,726	147,007	101,760	97,416	-

<FN>
Note 1: Such Combined Financial Statements have been prepared to reflect the historical combined operations of the Regency Properties associated with the ownership of the properties and the management, leasing, acquisition, development and brokerage business acquired by the Company from TRG on November 5, 1993 in connection with the Company's Initial Public Offering ("IPO") completed November 5, 1993.
</FN>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Realty Corporation (the "Company") appearing elsewhere herein. Certain statements made in the following discussion may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve unknown risks and uncertainties of business and economic conditions pertaining to the operation, acquisition, or development of shopping centers including the retail business sector, and may cause actual results of the Company in the future to significantly differ from any future results that may be implied by such forward-looking statements.

Shopping Center Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood infill shopping centers in the Eastern Unites States. Infill refers to shopping centers within a targeted investment market offering sustainable competitive advantages such as barriers to entry resulting from zoning restrictions, growth management laws, or limited new competition from development or expansions. The Company's properties summarized by state including their gross leasable areas (GLA) follows:

Location	December 31, 1997			December 31, 1996		
	# Properties	GLA	% Leased	# Properties	GLA	% Leased
Florida	45	5,267,894	91.5%	34	3,958,423	94.7%
Georgia	25	2,539,507	92.4%	6	592,351	90.5%
North Carolina	6	554,332	99.0%	3	260,094	98.6%
South Carolina	1	79,743	84.3%	-	-	NA
Tennessee	3	208,386	98.5%	-	-	NA
Ohio	2	629,920	89.1%	-	-	NA
Alabama	5	516,080	99.9%	5	516,080	99.7%
Mississippi	2	185,061	96.9%	2	185,061	100.0%
Total	-----	----------	----	-----	---------	------

	89	9,980,923	92.8%	50	5,512,009	95.0%
	=====	==========	====	=====	=========	======

The Company is focused on building a platform of grocery anchored neighborhood shopping centers because grocery stores provide convenience shopping of daily necessities, foot traffic for adjacent local tenants, and should withstand adverse economic conditions. The Company's current investment markets have continued to offer strong stable economies, and accordingly, the Company expects to realize growth in net income as a result of increasing occupancy in the portfolio, increasing rental rates, development and acquisition of shopping centers in targeted markets, and redevelopment of existing shopping centers. At December 31, 1997, 51 of the Company's shopping centers are anchored by the 1st or 2nd most dominant or preferred grocery store in its particular market as measured by total market sales, based upon internal research. The following table summarizes the four largest tenants occupying the Company's shopping centers, the average remaining years on their current leases, and their average annual sales per square foot in the stores that they occupy:

Grocery Anchor	Number of Stores	% of Total GLA	% of Annual Rent	Average Remaining Lease Term	Regency Store Sales PSF	All Corporate Stores Sales PSF*
Publix	28	12.1%	9.8%	12 yrs	$509	$416
Winn Dixie	15	6.9%	5.0%	11 yrs	$284	$278
Kroger	6	3.6%	3.0%	10 yrs	$427	$403
Harris Teeter	4	1.8%	2.5%	16 yrs	$433	$362

--Corporate information pertains to all stores operated by the tenant and was acquired from publicly available data.

Acquisition and Development of Shopping Centers

The Company acquired 35 shopping centers during 1997 (the "1997 Acquisitions"), 5 of which are partially operating while undergoing redevelopment scheduled for completion during 1998. The Company also completed the development of 3 shopping centers and began development on 2 shopping centers scheduled for completion during 1998. The following summarizes the locations of the Company's 1997 acquisition and development activity:

Location	Completed Acquisitions	In Process Redevelopments	Completed Development	In Process Development	GLA at Completion
Florida	10	1	-	2	1,329,093
Georgia	19	2	-	-	1,947,156
North Carolina	3	-	-	-	294,238
South Carolina	1	1	-	-	79,743
Tennessee	-	-	3	-	208,386
Ohio	2	1	-	-	629,920
Total	35	5	3	2	4,488,536
GLA	4,123,869	603,819	208,386	156,281	
Total Investment at Completion (in thousands)	$373,858	$53,399	$32,183	$15,794	$ 421,835

On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. ("RRLP"), substantially all of the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia, for $232.4 million. The assets acquired from Branch included 100% fee simple interests in 19 operating shopping centers and 1 center under development, and also partnership interests (ranging from 50% to 93%) in four partnerships with outside investors that owned 4 operating shopping centers and 2 centers under development. The Company also assumed the third party property management contracts of Branch on approximately 3 million SF of shopping center GLA that generate management fees and leasing commission revenues.

At closing and during 1997, RRLP issued 3,572,427 units of limited partnership interest (the "Units") and the Company issued 155,797 shares of common stock in exchange for the assets acquired and the liabilities assumed from Branch. The Units are redeemable on a one-for-one basis in exchange for shares of common stock. On June 13, 1997, 3,027,080 partnership units were converted to common stock. The purchase price of Branch, as recorded in the Company's financial statements, includes approximately $96.4 million for Units and common stock issued (based upon $26.85, the fair market value of the Company's common stock on the date the acquisition was publicly announced), $27.3 million in cash, $7.8 million for transaction costs and to establish reserves, and $97.2 million of assumed debt.

Additional Units and shares of common stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing (each an "Earn-Out Closing"), based on the performance of certain properties (the "Property Earn-Out"), and additional shares of common stock may be issued at the first and second Earn-Out Closings based on revenues earned from third party management and leasing contracts (estimated to be approximately $750). The formula for the Property Earn-Out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for certain properties in the Partnership's portfolio as of February 15 of the year of calculation. The Property Earn-Out is limited to 722,997 Units at the first Earn-Out Closing and 1,020,061 Units at all Earn-Out Closings (including the first Earn-Out Closing).

During 1997, in addition to the Branch Properties, the Company acquired 13 grocery anchored shopping centers for $163.3 million for cash including debt assumed of $31.4 million representing 1.9 million SF, two of which are partially operating while undergoing redevelopment. During 1996, the Company acquired 13 grocery anchored shopping centers representing 1.4 million square feet for $107.1 million (the "1996 Acquisitions"). These acquisitions are discussed further in note 2, Acquisition and Development of Real Estate, of the notes to the 1997 consolidated financial statements.

Liquidity and Capital Resources

Net cash provided by operating activities was $43.0 million, $16.0 million, and $15.9 million for the years ended December 31, 1997, 1996 and 1995, respectively, and is the primary source of funds to pay dividends and distributions on outstanding common stock and Units, maintain and operate the shopping centers, and pay interest and scheduled principal reductions on outstanding debt. Changes in net cash provided by operating activities is further discussed below under results from operations. Net cash used in investing activities was $188.5 million, $109.8 million, and $61.5 million, during 1997, 1996, and 1995, respectively, as discussed above in Acquisitions of Shopping Centers. Net cash provided by financing activities was $153.8 million, $98.7 million, and $46.2 million during 1997, 1996, and 1995, respectively.

The Company paid dividends and distributions of $37 million, $16.2 million, and $10.8 million, during 1997, 1996, and 1995, respectively (see Funds from Operations below for further discussion on payment of dividends). In January 1997, the Company increased its quarterly common dividend and distribution per Unit to $.42 per share vs. $.405 per share in 1996 and during 1997 issued additional common shares and Units as discussed below. In January 1998, the Company increased its quarterly common dividend and distribution per Unit to $.44 per share, and accordingly, total dividends and distributions expected to be paid by the Company during 1998 will increase substantially over 1997.

The Company's total indebtedness at December 31, 1997 and 1996 was approximately $278.0 million and $171.6 million, respectively, of which $199.1 million and $94.1 million had fixed interest rates averaging 7.3% and 7.6%, respectively. The weighted average interest rate on total debt at December 31, 1997 and 1996 was 7.3% and 7.5%, respectively. During 1997, the Company, as part of its acquisition activities, assumed approximately $142.4 million of debt, as compared to $3.9 million during 1996. The cash portion of the purchase price for the 1997 Acquisitions was financed from the Company's $150 million line of credit (the "Line"). At December 31, 1997 and 1996, the balance of the Line was $48.1 million and $73.7 million, respectively. The Line has a variable rate of interest equal to the London Inter-bank Offered Rate ("Libor") plus 150 basis points.

On February 24, 1998, the Company entered into an agreement with the various banks that provide the Line to increase the unsecured commitment amount to $300 million, provide for a $150 million competitive bid facility, and reduce the interest rate on the line based upon achieving an investment grade rating of BBB- or higher from Standard & Poors (S&P) and a Baa3 rating or higher from Moody's Investor Service (Moody's). Once ratings are achieved, the interest rate on the Line will be reduced to Libor plus .95%, and further reduced if the Company receives ratings better than the minimum requirement from both agencies. During the 1st quarter of 1998, the Company received investment grade ratings from Moody's of Baa2, and a rating of BBB- from S&P.

During 1996, the Company entered into a Stock Purchase Agreement (the "Agreement") with SC-USREALTY. Under the Agreement, the Company agreed to sell 7,499,400 shares of common stock to SC-USREALTY at a price of $17.625 per share (the fair market value of the Company's Common Stock on the date the terms of the Agreement were reached) representing total maximum proceeds of approximately $132 million. During 1996, the Company sold 3,651,800 shares to SC-USREALTY for approximately $64.4 million and the proceeds were used to pay down the Line. During March and June, 1997, the Company issued the remaining 3,847,600 shares to SC-USREALTY generating proceeds of approximately $67.8 million which were used to pay down the Line, completing the issuance of common stock under the original commitment.

As part of the Agreement, SC-USREALTY also has participation rights entitling them to purchase additional equity in the Company at the same price as that offered to other purchasers in order to preserve their pro rata ownership in the Company. In connection with the Units and shares of common stock issued in exchange for Branch's assets on March 7, 1997, SC-USREALTY acquired 1,750,000 shares during August and December, 1997 at $22.125 per share (the fair market value of the Company's common stock on the date the agreement to acquire Branch was entered into) in accordance with their rights. For further discussion of the Branch acquisition or the Agreement, see notes 2 and 6, to the Company's 1997 consolidated financial statements.

On July 11, 1997, the Company sold 2,415,000 shares to the public at $27.25 per share. In connection with that offering, SC-USREALTY purchased 1,785,000 shares at $27.25 directly from the Company. On August 11, 1997, the Underwriters exercised the over-allotment option and the Company issued an additional 129,800 shares to the public and 95,939 shares to SC-USREALTY at $27.25 per share. Total net proceeds from the sale of common stock to the public and SC-USREALTY of approximately $117 million were used to reduce the balance of the Line. The unused commitment currently available under the Line for future acquisition and development activity is approximately $101.9 million at December 31, 1997.

The Company qualifies and intends to continue to qualify as a REIT under the Internal Revenue Code. As a REIT, the Company is allowed to reduce taxable income by all or a portion of its distributions to stockholders. As distributions have exceeded taxable income, no provision for federal income taxes has been made. While the Company intends to continue to pay dividends to its stockholders, the Company will reserve such amounts of cash flow as it considers necessary for the proper maintenance and improvement of its real estate, while still maintaining its qualification as a REIT.

The Company's real estate portfolio has grown substantially during 1997 as a result of the acquisitions and developments discussed above. In 1998, the Company intends to exceed its 1997 level of acquisitions and development. The Company expects to meet the related capital requirements from borrowings on the Line, and from additional public equity and debt offerings. Because such acquisition and development activities are discretionary in nature, they are not expected to burden the Company's capital resources currently available for liquidity requirements. The Company expects that cash provided by operating activities, unused amounts available under the Line, and cash reserves are adequate to meet liquidity requirements.

Recent Events

On March 11, 1998, the Company acquired the real estate assets of entities comprising the Midland Group ("Midland") consisting of 21 shopping centers (the "Midland Properties") plus a development pipeline of 11 shopping centers. Of the 21 centers acquired, 20 are anchored by Kroger. Eight of the shopping centers included in the development pipeline will be owned through a joint venture in which the Company will own less than a 50% interest upon completion of construction. At closing and during 1998, the Company will pay approximately $230.4 million for the properties and to pay transaction costs through the issuance of units of RRLP valued at $26.58 per unit (the fair market value of the Company's common stock on the date the terms of the acquisition were agreed to) or cash of $47 million, the assumption of $92.5 million of debt, and $90.9 million to pay off existing secured real estate loans. The Company will incur additional costs to establish reserves, pay severance, and prepay existing assumed loans. Subsequent to 1998, the Company expects to pay approximately $12.7 million to acquire equity interests in the development pipeline as the properties reach stabilization. The Company may also be required to make payments aggregating $10.5 million through the year 2000 contingent upon increases in net income from existing properties, the development pipeline, and new properties developed or acquired in accordance with the contribution agreement.

Results from Operations

Comparison of 1997 to 1996

Revenues increased $50.8 million or 108% to $97.8 million in 1997. The increase was due primarily to the 1997 Acquisitions and 1996 Acquisitions providing increases in revenues of $49.8 million during 1997. At December 31, 1997, the real estate portfolio contained approximately 10 million SF, was 92.8% leased and had average rents of $9.34 per SF. Minimum rent increased $35.4 million or 102%, and recoveries from tenants increased $9.3 million or 121%. On a same property basis (excluding the 1997 and 1996 Acquisitions) revenues increased $960 or 2%, primarily due to higher percentage rents and operating expense recoveries from tenants. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were $8.4 million in 1997 compared to $3.4 million in 1996, the increase due to fees earned from third property management and leasing contracts acquired as part of the acquisition of Branch. At December 31, 1997, the Company managed shopping centers and office buildings owned entirely by third parties containing approximately 4.4 million SF vs. 1.2 million SF at December 31, 1996.

Operating expenses increased $23.0 million or 88% to $49.2 million in 1997. Combined operating and maintenance, and real estate taxes increased $10.8 million or 89% during 1997 to $22.9 million. The increases are due to the 1997 and 1996 Acquisitions generating operating and maintenance expenses and real estate tax increases of $10.6 million during 1997. On a same property basis, operating and maintenance expenses and real estate taxes increased $226, or 2%. General and administrative expense increased 64.7% during 1997 to $10.0 million due to the hiring of new employees and related office expenses necessary to manage the 52 shopping centers acquired during 1996 and 1997, as well as, the 44 shopping centers that the Company began managing for third parties during 1997. Depreciation and amortization increased $8.2 million during 1997 or 102% primarily due to the 1997 and 1996 Acquisitions generating $7.7 million in depreciation and amortization.

Interest expense increased to $19.7 million in 1997 from $11.5 million in 1996 or 71% due primarily to increased average outstanding loan balances related to the financing of the 1997 and 1996 Acquisitions on the Line and the assumption of debt, as discussed under Acquisition and Development of Shopping Centers and Liquidity and Capital Resources.

Net income for common stockholders was $27.4 million in 1997 vs. $9.9 million in 1996, a $17.5 million or 177% increase for the reasons previously described. Diluted earnings per share in 1997 was $1.23 vs. $0.82 in 1996, an increase of 50% due to the increase in net income combined with the dilutive impact from the increase in weighted average common shares and equivalents of 12.4 million primarily due to the Acquisition of the Branch Properties, the issuance of shares to SC-USREALTY, and the public offering discussed previously (see notes 2, 6 and 7, to the 1997 consolidated financial statements for related discussions).

Comparison of 1996 to 1995

Revenues increased $13 million or 38% to $46.9 million in 1996. The increase was due primarily to the 1996 Acquisitions discussed above, and 6 shopping centers purchased during 1995 for $53.3 million ("1995 Acquisitions"), providing increases in revenues of $10 million during 1996. At December 31, 1996, the real estate portfolio contained approximately 5.5 million SF, was 95.4% leased and had average rents of $8.73 per SF. Minimum rent increased $9.7 million or 39%, and recoveries from tenants increased $1.9 million or 32%. On a same property basis (excluding the 1996 and 1995 Acquisitions) revenues increased $3 million or 10%, primarily due to increased based rent from 3 new anchor tenants who opened during 1996 at 3 of the Company's shopping centers (the "1995 Anchor Expansions"). Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were $3.4 million in 1996 compared to $2.4 million in 1995, the increase due to fees earned on build to suit development activity. At December 31, 1996 and 1995, the Company managed shopping centers and office buildings owned entirely by third parties containing approximately 1.2 million SF.

Operating expenses increased $6.7 million or 29% to $26.2 million in 1996. Combined operating and maintenance, and real estate taxes increased $3.4 million or 39% during 1996 to $12.1 million. The increases are due to the 1996 and 1995 Acquisitions generating operating and maintenance expenses and real estate tax increases of $2.7 million during 1996. On a same property basis, operating and maintenance expenses and real estate taxes increased $651, or 11% primarily due to the 1995 Anchor Expansions. General and administrative expense increased 24% during 1996 to $6 million due to the hiring of new employees and related office expenses necessary to manage the 20 shopping centers acquired during 1995 and 1996. Depreciation and amortization increased $2.2 million during 1996 or 38% primarily due to the 1996 and 1995 Acquisitions and the 1995 Anchor Expansions.

Net interest expense increased to $10.1 million in 1996 from $8.4 million in 1995 or 21% due primarily to increased average outstanding loan balances related to the 1996 and 1995 Acquisitions. Outstanding debt at December 31, 1996 was $171.6 million vs. $115.6 million in 1995. Preferred stock dividends declined as a result of the full conversion of the remaining Series A preferred stock into common stock during 1996.

Net income for common stockholders was $9.9 million in 1996 vs. $5 million in 1995, a $4.9 million or 98% increase for the reasons previously described. Diluted earnings per share in 1996 was $0.82 vs. $0.75 in 1995, an increase

of 9.3% due to the increase in net income combined with the dilutive impact from the increase in weighted average common shares and equivalents of 722 due to the issuance of shares to SC-USREALTY discussed previously (see notes 2, 6 and 7, to the 1997 consolidated financial statements for related discussions).

Funds from Operations

The Company considers funds from operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts as net income (computed in accordance with generally accepted accounting principles) excluding gains (or losses) from debt restructuring and sales of income producing property held for investment, plus depreciation and amortization of real estate, and after adjustments for unconsolidated investments in real estate partnerships and joint ventures, to be the industry standard for reporting the operations of real estate investment trusts ("REITs"). Adjustments for investments in real estate partnerships are calculated to reflect FFO on the same basis. While management believes that FFO is the most relevant and widely used measure of the Company's performance, such amount does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered an alternative to net income as an indicator of the Company's operating performance, and is not indicative of cash available to fund all cash flow needs. Additionally, the Company's calculation of FFO, as provided below, may not be comparable to similarly titled measures of other REITs.

FFO increased by 149% from 1996 to 1997 as a result of the acquisition activity discussed above under "Results of Operations". FFO for the periods ended December 31, 1997 and 1996 are summarized in the following table:

	1997	1996	1995
Net income for common stockholders	$ 27,402	9,907	4,994
Add (subtract):			
Real estate depreciation and amortization, net	15,671	8,049	5,833
Gain on sale of office building	(451)	-	-
Minority interests in net income of			
Redeemable partnership units	2,042	-	-
Funds from operations	$ 44,663	17,956	10,827
Cash flow provided by (used by):			
Operating activities	$ 43,044	16,004	15,892
Investing activities	(188,533)	(109,842)	(61,504)
Financing activities	153,782	98,730	46,153

Environmental Matters

The Company like others in the commercial real estate industry, is subject to numerous environmental laws and regulations and the operation of dry cleaning plants at the Company's shopping centers is the principal environmental concern. The Company believes that the dry cleaners are operating in accordance with current laws and regulations and has established procedures to monitor their operations. Based on information presently available, no additional environmental accruals were made and management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or operations of the Company. See note 11 of the consolidated financial statements for further discussion.

Inflation

Inflation has remained relatively low during the past three years and has had a minimal impact on the operating performance of the shopping centers, however, substantially all of the Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company to receive percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek increased rents upon re-rental at market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

Year 2000 System Conversions

The Company has conducted a comprehensive review of its computer systems to identify the systems that could be affected by the "Year 2000" problem and is in process of resolving the issue. The Year 2000 problem is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Company's programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than 2000. This could result in major system failure and miscalculations. During 1997, the Company converted its operating system, and its general accounting and lease administration software systems to versions containing modifications that corrected for the Year 2000 problem. Both suppliers have received ITAA 2000 certification from The Information Technology Association of America, the industry's century date change certification program. The Company will continue to assess its other internal systems and reprogram or upgrade as necessary. The Company is also reviewing the Year 2000 system conversions of other companies of which it does business in order to determine their compliance.

Item 8. Consolidated Financial Statements and Supplementary Data

The Consolidated Financial Statements and supplementary data included in this Report are listed in Part IV, Item 14(a).

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information concerning the directors of the Company is incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1998 Annual Meeting of Shareholders.

The following table provides information concerning the executive officers of the Company, several of which were officers of TRG for five years or more prior to the Company's acquisition of TRG's real estate business in November, 1993.

Name (Age)	Position with the Company; Principal Occupations During Past Five Years
Martin E. Stein, Jr. (45)	Chairman, Chief Executive Officer and Director of the

	Company, and President, Chief Executive Officer and Director of TRG
Bruce M. Johnson (50)	Managing Director and Chief Financial Officer of the Company, and previously Vice President of Investment Management and Acquisitions of TRG.
Robert C. Gillander, Jr. (44)	Managing Director of Investments for the Company, and previously Vice President of Development of TRG
James D. Thompson (42)	Managing Director of Operations for the Company, and previously Vice President of Asset Management in North and Central Florida regions of TRG.
Lee S. Wielansky (46)	Managing Director of Investments of the Company, and previously President and Chief Executive Officer of Midland Development Group from 1993 to 1998.

Item 11. Executive Compensation

Incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1998 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owner and Management

Incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1998 Annual Meeting of Shareholders.

Item 13. Certain Relationships and Related Transactions

Incorporated herein by reference to the Company's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K with respect to its 1998 Annual Meeting of Shareholders.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Financial Statements and Financial Statement Schedules:

The Company's 1997 financial statements and financial statement schedule, together with the report of KPMG Peat Marwick LLP dated February 3, 1998, except for Note 12 as to which the date is March 1, 1998, are listed on the index immediately preceding the financial statements at the end of this report.

(b) Reports on Form 8-K:

None

(c) Exhibits:

3. Articles of Incorporation

(i) Restated Articles of Incorporation of Regency Realty Corporation as amended to date.

#(ii) Restated Bylaws of Regency Realty Corporation.

4. See exhibits 3(i) and 3(ii) for provisions of the Articles of Incorporation and Bylaws of Regency Realty Corporation defining rights of security holders.

10.Material Contracts

~*(a) Regency Realty Corporation 1993 Long Term Omnibus Plan

~*(b) Form of Stock Purchase Award Agreement

~*(c) Form of Management Stock Pledge Agreement, relating to the Stock Purchase Award Agreement filed as Exhibit 10(b)

~*(d) Form of Promissory Note, relating to the Stock Purchase Award Agreement filed as Exhibit 10(b)

~*(e) Form of Option Award Agreement for Key Employees

~*(f) Form of Option Award Agreement for Non-Employee Directors

~*(g) Annual Incentive for Management Plan

~*(h) Form of Director/Officer Indemnification Agreement

~*(i) Form of Non-Competition Agreement between Regency Realty Corporation and Joan W. Stein, Robert L. Stein, Richard W. Stein, the Martin E. Stein Testamentary Trust A and the Martin E. Stein Testamentary Trust B.

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~ Management contract or compensatory plan or arrangement filed pursuant to S-K 601(10)(iii)(A).

Included as an exhibit to the Company's Form 10-Q filed August 11, 1997 and incorporated herein by reference.

* Included as an exhibit to the Pre-effective Amendment No. 2 to the Company's S-11 filed October 5, 1993, and incorporated herein by reference

** Included as an exhibit to the Company's Form 10-Q filed December 13, 1993, and incorporated herein by reference

*** Included as an exhibit to the Company's Form 10-Q filed November 14, 1996, and incorporated herein by reference

+ Included as an exhibit to the Company's Form 10-Q filed May 12, 1994, and incorporated herein by reference

++ Filed as appendices to the Company's definitive proxy statement dated August 2, 1996 and incorporated herein by reference.

+++ Filed as an exhibit to the Company's Form 8-K report filed March 14, 1997 and incorporated herein by reference.

@ Filed as an exhibit to the Company's Form 10-K filed March 25, 1997 and incorporated herein by reference.

@@ Included as an exhibit to the Company's Form 10-Q filed May 15, 1997 and incorporated herein by reference.

@@@ Included as an exhibit to the Company's Form 8-K/A report filed March 19, 1998 and incorporated herein by reference.

~*(j) Form of Employment Agreement with Martin E. Stein, Jr.

~*** (k) Form of Employment Agreements entered into with the following executive officers:

(i) Bruce M. Johnson
(ii) Robert C. Gillander, Jr.
(iii) James D. Thompson

(l) The following documents, all dated November 5, 1993, relating to a $51 million loan from Salomon Brothers Inc. to corporations and subsidiaries wholly owned by the Company.

** (i) Loan Agreement between RSP IV Criterion, Ltd., Regency Rosewood Temple Terrace, Ltd., Treasure Coast Investors, Ltd., Landcom Regency Mandarin, Ltd., RRC FL SPC, Inc., RRC AL SPC, Inc., RRC MS SPC, Inc.,and RRC GA SPC, Inc. (as borrowers) and RRC Lender, Inc.(as lender)

** (ii) Promissory Note in the original principal amount of $51 million

** (iii) Undertaking executed by the Registrantand RRC FL SPC,Inc. RRC AL SPC, Inc., RRC MS SPC, Inc., and RRC GA SPC, Inc.

** (iv) Certificate Purchase Agreement between RRC Lender, Inc. (as seller) and Salomon Brothers, Inc. (as lender)

(m) The following documents relating to the purchase by Security Capital U.S. Realty and Security Capital Holdings, S.A. of up to 45% of the

Registrant's outstanding common stock:

++ (i) Stock Purchase Agreement dated June 11, 1996.

++ (ii) Stockholders' Agreement dated July 10, 1996.

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~ Management contract or compensatory plan or arrangement filed pursuant to S-K 601(10)(iii)(A).

Included as an exhibit to the Company's Form 10-Q filed August 11, 1997 and incorporated herein by reference.

* Included as an exhibit to the Pre-effective Amendment No. 2 to the Company's S-11 filed October 5, 1993, and incorporated herein by reference

** Included as an exhibit to the Company's Form 10-Q filed December 13, 1993, and incorporated herein by reference

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@ Filed as an exhibit to the Company's Form 10-K filed March 25, 1997 and incorporated herein by reference.

@@ Included as an exhibit to the Company's Form 10-Q filed May 15, 1997 and incorporated herein by reference.

@@@ Included as an exhibit to the Company's Form 8-K/A report filed March 19, 1998 and incorporated herein by reference.

+++ (A) First Amendment of Stockholders' Agreement dated February 10, 1997.

++ (iii) Registration Rights Agreement dated July 10, 1996.

+(n) Stock Grant Plan adopted on January 31, 1994 to grant stock to employees.

~@(o) Criteria for Restricted Stock Awards under 1993 Long Term Omnibus Plan.

~@(p) Form of 1996 Stock Purchase Award Agreement.

~@(q) Form of 1996 Management Stock Pledge Agreement relating to the Stock Purchase Award Agreement filed as Exhibit 10(p).

~@(r) Form of Promissory Note relating to 1996 Stock Purchase Award Agreement filed as Exhibit 10(p).

@@ (s) Revolving Line of Credit Agreement dated May 30,1994 between RRC GA ONE, Inc., as Borrower and Wachovia Bank of Georgia, N.A., as Lender.

@@ (t) First Modification to Revolving Line of Credit Agreement dated April 30, 1995 between RRC GA ONE, Inc., as Borrower and Wachovia Bank of Georgia, N.A., as Lender.

@@ (u) Second Modification to Revolving Line of Credit Agreement dated December 19, 1995 between RRC GA ONE, Inc., as Original Borrower, Regency Realty Group, Inc. and New Borrower and Regency Realty Corporation, Inc., as Guarantor, and Wachovia Bank of Georgia, N.A., as Lender.

@@ (v) Third Modification to Revolving Line of Credit Agreement dated April 30, 1996 between Regency Realty Group,Inc. as Borrower, and Wachovia Bank of Georgia, N.A., as Lender.

@@ (w) Fourth Modification to Revolving Line of Credit Agreement dated November 1, 1996 between Regency Realty Group,Inc. as Borrower, and Wachovia Bank of Georgia, N.A., as Lender.

@@ (x) Fifth Modification to Revolving Line of Credit Agreement dated December 31, 1996 between Regency Realty Group,Inc. as Borrower, and Wachovia Bank of Georgia, N.A., as Lender.

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~ Management contract or compensatory plan or arrangement filed pursuant to S-K 601(10)(iii)(A).

Included as an exhibit to the Company's Form 10-Q filed August 11, 1997 and incorporated herein by reference.

* Included as an exhibit to the Pre-effective Amendment No. 2 to the Company's S-11 filed October 5, 1993, and incorporated herein by reference

** Included as an exhibit to the Company's Form 10-Q filed December 13, 1993, and incorporated herein by reference

*** Included as an exhibit to the Company's Form 10-Q filed November 14, 1996, and incorporated herein by reference

+ Included as an exhibit to the Company's Form 10-Q filed May 12, 1994, and incorporated herein by reference

++ Filed as appendices to the Company's definitive proxy statement dated August 2, 1996 and incorporated herein by reference.

+++ Filed as an exhibit to the Company's Form 8-K report filed March 14, 1997 and incorporated herein by reference.

@ Filed as an exhibit to the Company's Form 10-K filed March 25, 1997 and incorporated herein by reference.

@@ Included as an exhibit to the Company's Form 10-Q filed May 15, 1997 and incorporated herein by reference.

@@@ Included as an exhibit to the Company's Form 8-K/A report filed March 19, 1998 and incorporated herein by reference.

@@(y) Third Amendment to Credit Agreement dated March 7, 1997 between Regency Realty Corporation as Borrower, each of the Guarantors signatory hereto, each of the Lenders signatory hereto, and Wells Fargo Bank, N.A. and successor in interest to Wells Fargo Realty Advisors Funding, Inc., as Agent.

@@(z) Fourth Amendment to Credit Agreement dated March 24, 1997 between Regency Realty Corporation as Borrower, each of the Guarantors signatory hereto, each of the Lenders signatory hereto, and Wells Fargo Bank, N.A. and successor in interest to Wells Fargo Realty Advisors Funding, Inc., as Agent.

@@@ (aa) Second Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P.

21. Subsidiaries of the Registrant

23. Consent of KPMG Peat Marwick LLP

27. Financial Data Table

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~ Management contract or compensatory plan or arrangement filed pursuant to S-K 601(10)(iii)(A).

Included as an exhibit to the Company's Form 10-Q filed August 11, 1997 and incorporated herein by reference.

* Included as an exhibit to the Pre-effective Amendment No. 2 to the Company's S-11 filed October 5, 1993, and incorporated herein by reference

** Included as an exhibit to the Company's Form 10-Q filed December 13, 1993, and incorporated herein by reference

*** Included as an exhibit to the Company's Form 10-Q filed November 14, 1996, and incorporated herein by reference

+ Included as an exhibit to the Company's Form 10-Q filed May 12, 1994, and incorporated herein by reference

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+++ Filed as an exhibit to the Company's Form 8-K report filed March 14, 1997 and incorporated herein by reference.

@ Filed as an exhibit to the Company's Form 10-K filed March 25, 1997 and incorporated herein by reference.

@@ Included as an exhibit to the Company's Form 10-Q filed May 15, 1997 and incorporated herein by reference.

@@@ Included as an exhibit to the Company's Form 8-K/A report filed March 19, 1998 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REGENCY REALTY CORPORATION

Date: March 20, 1998 By: /s/ Martin E. Stein, Jr.

Martin E Stein, Jr.,
Chairman of the Board
and Chief Executive Officer

Date: March 20,1998 By: /s/ Bruce M. Johnson

Bruce M. Johnson,
Managing Director and
Principal Financial Officer

Date: March 20, 1998 By: /s/ J. Christian Leavitt

J. Christian Leavitt,
Vice President,
Treasurer, Secretary and
PrincipalAccounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Date: March 20, 1998 /s/ Martin E. Stein, Jr.

Martin E. Stein, Jr.,
Chairman of the Board
and Chief Executive Officer

Date: March 20, 1998 /s/ Joan W. Stein

Joan W. Stein, Chairman Emeritus
and Director

Date: March 20, 1998 /s/ Edward L. Baker

Edward L. Baker, Director

Date: March 20, 1998

Raymond L. Bank, Director

Date: March 20, 1998 /s/ J. Alexander Branch, III

J. Alexander Branch, Director

Date: March 20, 1998 /s/ A. R. Carpenter

A. R. Carpenter, Director

Date: March 20, 1998 /s/ J. Dix Druce, Jr.

J. Dix Druce, Jr., Director

Date: March 20, 1998 /s/ Albert D. Ernest, Jr.

Albert D. Ernest, Jr., Director

Date: March 20, 1998 /s/ Douglas S. Luke

Douglas S. Luke, Director

Date: March 20, 1998 /s/ Mary Lou Rogers

Mary Lou Rogers, Director

Date: March 20, 1998	/s/ Jonathan L. Smith
	Jonathan L. Smith, Director
Date: March 20, 1998	/s/ Richard W. Stein
	Richard W. Stein, Director
Date: March 20, 1998	/s/ Lee S. Wielansky
	Lee S. Wielansky, Director

REGENCY REALTY CORPORATION

INDEX TO FINANCIAL STATEMENTS

Regency Realty Corporation

Financial Statement Schedule

All other schedules are omitted because they are not applicable or because information required therein is shown in the financial statements or notes thereto.

Independent Auditors' Report

The Shareholders and Board of Directors
Regency Realty Corporation:

We have audited the accompanying consolidated balance sheets of Regency Realty Corporation as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Regency Realty Corporation as of December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/ KPMG Peat Marwick LLP

KPMG Peat Marwick LLP

Jacksonville, Florida
February 3, 1998, except for Note 12,
as to which the date is March 1, 1998

REGENCY REALTY CORPORATION
Consolidated Balance Sheets
December 31, 1997 and 1996

	1997	1996
Assets		
Real estate investments, at cost (notes 2, 4, 5 and 9):		
Land	$ 177,245,784	84,186,483
Buildings and improvements	622,555,583	304,820,998
Construction in progress - development for investment	13,427,370	1,665,144
Construction in progress - development for sale	20,173,039	1,695,062
	833,401,776	392,367,687
Less: accumulated depreciation	40,795,801	26,213,225
	792,605,975	366,154,462
Investments in real estate partnerships (note 3)	999,730	1,035,107
Net real estate investments	793,605,705	367,189,569
Cash and cash equivalents (note 4)	16,586,094	8,293,229
Tenant receivables, net of allowance for uncollectible accounts of $1,162,570 and $832,091 at December 31, 1997 and 1996, respectively	9,546,584	5,281,419
Deferred costs, less accumulated amortization of $3,842,914 and $2,519,019 at December 31, 1997 and 1996, respectively	4,252,991	3,961,439
Other assets	2,857,217	1,798,393
	$ 826,848,591	386,524,049
Liabilities and Stockholders' Equity		
Liabilities:		
Mortgage loans payable (note 4)	229,919,242	97,906,288
Acquisition and development line of credit (note 5)	48,131,185	73,701,185
Accounts payable and other liabilities	11,597,232	6,300,640
Tenants' security and escrow deposits	2,319,941	1,381,673
Total liabilities	291,967,600	179,289,786
Redeemable operating partnership units (notes 2 and 6)	13,777,156	508,486
Limited partners' interest in consolidated partnerships (note 2)	7,477,182	-
	21,254,338	508,486
Stockholders' equity (notes 2, 6, 7 and 8)		
Common stock $.01 par value per share: 150,000,000 shares authorized; 23,992,037 and 10,614,905 shares issued and outstanding at December 31, 1997 and 1996, respectively	239,920	106,149
Special common stock - 10,000,000 shares authorized: Class B $.01 par value per share, 2,500,000 shares issued and outstanding	25,000	25,000
Additional paid in capital	535,498,878	223,080,831

Distributions in excess of net income	(20,494,893)	(13,981,770)
Stock loans	(1,642,252)	(2,504,433)
Total stockholders' equity	513,626,653	206,725,777
Commitments and contingencies (notes 9,11 and 12)		
	$ 826,848,591	386,524,049

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
Years ended December 31, 1997, 1996 and 1995

	1997	1996	1995
Revenues:			
Minimum rent (note 9)	$ 70,102,765	34,705,905	25,044,201
Percentage rent	2,151,379	997,981	672,986
Recoveries from tenants	17,051,827	7,729,404	5,837,773
Management, leasing and brokerage fees	8,447,615	3,444,287	2,425,733
Equity in income of investments in real estate partnerships (note 3)	33,311	69,990	4,226
Total revenues	97,786,897	46,947,567	33,984,919
Operating expenses:			
Depreciation and amortization	16,303,159	8,058,643	5,853,730
Operating and maintenance	14,212,555	7,655,934	5,682,967
General and administrative (note 10)	9,963,926	6,048,140	4,894,432
Real estate taxes	8,691,576	4,409,460	3,000,557
Total operating expenses	49,171,216	26,172,177	19,431,686
Interest expense (income):			
Interest expense	19,667,483	11,476,555	9,422,738
Interest income	(1,000,227)	(666,031)	(454,207)
Net interest expense	18,667,256	10,810,524	8,968,531
Income before minority interests	29,948,425	9,964,866	5,584,702
Minority interest of redeemable partnership units	2,041,823	-	-
Minority interest of limited partners'	504,947	-	-
Total minority interests	2,546,770	-	-
Net income	27,401,655	9,964,866	5,584,702
Preferred stock dividends	-	57,721	590,904
Net income for common stockholders	$ 27,401,655	9,907,145	4,993,798
Net income per share (note 7):			
Basic	$ 1.28	.82	.75
Diluted	$ 1.23	.82	.75

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Consolidated Statements of Stockholders' Equity

Years ended December 31, 1997, 1996 and 1995

	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid In Capital	Distributions in excess of Net Income
Balance at December 31, 1994	$ 5,748,835	64,546	-	101,069,294	(2,719,738)
Common stock issued as compensation	-	516	-	831,083	-
Series B Preferred stock issued (note 6)	18,250,000	-	-	-	-
Series B Preferred stock converted to Class B common stock	(18,250,000)	-	9,125	18,240,875	-
Class B common stock issued (note 6)	-	-	15,875	31,734,125	-
Series A Preferred stock converted to common stock	(3,832,567)	2,225	-	3,830,342	-
Partial forgiveness of stock loans (note 8)	-	-	-	-	-
Cash dividends declared:					
Preferred stock	-	-	-	-	(590,904)
Common stock, $1.58 per share	-	-	-	-	(10,347,248)
Stock issuance costs	-	-	-	(484,478)	-
Net income	-	-	-	-	5,584,702
Balance at December 31, 1995	$ 1,916,268	67,287	25,000	155,221,241	(8,073,188)
Common stock issued to SC-USREALTY(note 6)	-	36,518	-	63,373,745	-
Common stock purchased by executive officers (note 8)	-	800	-	1,339,200	-
Common stock issued as compensation	-	532	-	1,091,375	-
Common stock purchased by directors	-	69	-	139,931	-
Series A Preferred stock converted to common stock	(1,916,282)	943	-	1,915,339	-
Series A Preferred stock converted - partial share payment	14	-	-	-	-
Partial forgiveness of stock loans (note 8)	-	-	-	-	-
Cash dividends declared:					
Preferred stock	-	-	-	-	(57,721)
Common stock, $1.62 per share	-	-	-	-	(15,815,727)
Net income	-	-	-	-	9,964,866
Balance at December 31, 1996	$ -	106,149	25,000	223,080,831	(13,981,770)
Common stock issued to SC-USREALTY(note 6)	-	75,135	-	158,475,802	-
Common stock issued in secondary offering, net (note 6)	-	25,448	-	65,487,586	-
Common stock issued as compensation, purchased by directors or officers, or issued under stock options	-	1,359	-	3,026,241	-
Common stock issued for partnership units redeemed (note 2)	-	30,271	-	81,246,827	-
Common stock issued to acquire real estate (note 2)	-	1,558	-	4,181,591	-
Partial forgiveness or repayment of stock loans (note 8)	-	-	-	-	-
Cash dividends declared:					
Common stock, $1.68 per share	-	-	-	-	(33,914,778)
Net income	-	-	-	-	27,401,655
Balance at December 31, 1997	$ -	239,920	25,000	535,498,878	(20,494,893)

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Consolidated Statements of Stockholders' Equity

Years ended December 31, 1997, 1996 and 1995

	Stock Loans	Total Stockholders' Equity
Balance at December 31, 1994	$ (2,402,978)	101,759,959
Common stock issued as compensation	-	831,599
Series B Preferred stock issued (note 6)	-	18,250,000
Series B Preferred stock converted to Class B common stock	-	-
Class B common stock issued (note 6)	-	31,750,000
Series A Preferred stock converted to common stock	-	-
Partial forgiveness of stock loans (note 8)	252,944	252,944
Cash dividends declared:		
Preferred stock	-	(590,904)
Common stock, $1.58 per share	-	(10,347,248)
Stock issuance costs	-	(484,478)
Net income	-	5,584,702
Balance at December 31, 1995	$ (2,150,034)	147,006,574
Common stock issued to SC-USREALTY,(note 6)	-	63,410,263
Common stock purchased by executive officers (note 8)	(1,273,000)	67,000
Common stock issued as compensation	-	1,091,907
Common stock purchased by directors	-	140,000
Series A Preferred stock converted to common stock	-	-
Series A Preferred stock converted - partial share payment	-	14
Partial forgiveness of stock loans (note 8)	918,601	918,601
Cash dividends declared:		
Preferred stock	-	(57,721)
Common stock, $1.62 per share	-	(15,815,727)
Net income	-	9,964,866

Balance at December 31, 1996	$	(2,504,433)	206,725,777
Common stock issued to SC-USREALTY(note 6)		-	158,550,937
Common stock issued in secondary offering, net (note 6)			65,513,034
Common stock issued as compensation, purchased by directors or officers, or issued under stock options		-	3,027,600
Common stock issued for partnership units redeemed (note 2)		-	81,277,098
Common stock issued to acquire real estate (note 2)		-	4,183,149
Partial forgiveness or repayment of stock loans (note 8)		862,181	862,181
Cash dividends declared:			
Common stock, $1.68 per share		-	(33,914,778)
Net income		-	27,401,655
Balance at December 31, 1997	$	(1,642,252)	513,626,653

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
Years ended December 31, 1997, 1996 and 1995

	1997	1996	1995
Cash flows from operating activities:			
Net income	$ 27,401,655	9,964,866	5,584,702
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	16,303,159	8,058,643	5,853,730
Deferred financing cost amortization	907,224	699,424	582,362
Minority interest of redeemable partnership units	2,041,823	-	-
Minority interest of limited partners	504,947	-	-
Equity in income of investments in real estate partnerships	(33,311)	(69,990)	(4,226)
Gain on sale of office building	(450,902)	-	-
Changes in assets and liabilities:			
(Increase) decrease in tenant receivables	(3,596,964)	(2,660,656)	9,879
Increase in deferred leasing commissions	(1,120,184)	(585,889)	(479,454)
Increase in other assets	(1,641,108)	(1,019,637)	(619,800)
Increase in tenants' security deposits	480,743	405,158	304,378
Increase in accounts payable and other liabilities	2,247,138	1,212,000	4,660,370
Net cash provided by operating activities	43,044,220	16,003,919	15,891,941
Cash flows from investing activities:			
Acquisition and development of real estate	(162,244,207)	(102,933,980)	(59,537,217)
Investment in real estate partnership	-	(881,309)	-
Capital improvements	(5,226,138)	(2,898,250)	(1,978,643)
Construction in progress for resale	(23,776,953)	(3,360,206)	-
Proceeds from sale of property	2,645,229	-	-
Distributions received from real estate partnership investments	68,688	231,581	12,146
Net cash used in investing activities	(188,533,381)	(109,842,164)	(61,503,714)
Cash flows from financing activities:			
Net proceeds from common stock issuance	225,094,980	63,617,263	(484,478)
Series B preferred stock issued	-	-	18,250,000
Class B common stock issued	-	-	31,750,000
Proceeds from issuance of redeemable partnership units	2,255,140	-	-
Distributions to redeemable partnership unit holders	(1,954,375)	(16,846)	-
Distributions to limited partners in consolidated partnerships	(1,124,480)	-	-
Dividends paid to stockholders	(33,914,778)	(16,179,518)	(10,760,237)
(Repayment) or proceeds from acquisition and development line of credit, net	(25,570,000)	51,361,382	(18,736,629)
Proceeds from mortgage loans payable	15,972,920	1,518,331	26,773,540
Repayments of mortgage loans payable	(26,408,932)	(808,068)	(417,851)
Deferred financing costs	(568,449)	(762,771)	(221,708)
Net cash provided by financing activities	153,782,026	98,729,773	46,152,637
Net increase in cash and cash equivalents	8,292,865	4,891,528	540,864
Cash and cash equivalents at beginning of period	8,293,229	3,401,701	2,860,837
Cash and cash equivalents at end of period	$ 16,586,094	8,293,229	3,401,701

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
Years Ended December 31, 1997, 1996 and 1995
-continued-

	1997	1996	1995
Supplemental disclosure of cash flow information cash paid for interest (including capitalized interest of approximately $1,896,000, $381,000, and $285,000 in 1997, 1996 and 1995, respectively)	$ 20,527,091	10,979,841	9,147,175
Supplemental disclosure of non cash transactions: Mortgage loans assumed from sellers of real estate	$142,448,966	3,918,752	-
Redeemable operating partnership units and common stock issued to sellers of real estate	$ 96,380,706	525,332	-

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

December 31, 1997 and 1996

1. Summary of Significant Accounting Policies

(a) Organization and Principles of Consolidation

Regency Realty Corporation (the Company) was formed for the purpose of managing, leasing, brokering, acquiring, and developing shopping centers. The Company also provides management, leasing, brokerage and development services for real estate not owned by the Company.

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned qualified REIT subsidiaries, and its majority owned subsidiaries and partnerships. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. The Company owns approximately 91% of the outstanding units of Regency Retail Partnership, L.P., ("RRLP") and partnership interests ranging from 51% to 93% in four majority owned real estate partnerships (the "Majority Partnerships"). The equity interests of third parties held in RRLP and the Majority Partnerships are included in the consolidated financial statements as redeemable operating partnership units, and limited partners' interests in consolidated partnerships.

(b) Revenues

The Company leases space to tenants under agreements with varying terms. Leases are accounted for as operating leases with minimum rent recognized on a straight-line basis over the term of the lease regardless of when payments are due. Accrued rents are included in tenant receivables. Minimum rent has been adjusted to reflect the effects of recognizing rent on a straight line basis.

Substantially all of the lease agreements contain provisions which provide additional rents based on tenants' sales volume or reimbursement of the tenants' share of real estate taxes and certain common area maintenance (CAM) costs. These additional rents are reflected on the accrual basis. Management, leasing, brokerage and development fees are recognized as revenue when earned.

(c) Real Estate Investments

Land, buildings and improvements are recorded at cost. All direct and indirect costs clearly associated with the acquisition, development and construction of real estate projects owned by the Company are capitalized as buildings and improvements, while maintenance and repairs which do not improve or extend the useful lives of the respective assets are reflected in operating and maintenance expense. The property cost includes the capitalization of interest expense incurred during construction in accordance with generally accepted accounting principles.

Depreciation is computed using the straight line method over estimated useful lives up to forty years for buildings and improvements, term of lease for tenant improvements, and five to seven years for furniture and equipment.

(d) Income Taxes

The Company qualifies and intends to continue to qualify as a REIT under the Internal Revenue Code. As a REIT, the Company is allowed to reduce taxable income by all or a portion of its distributions to stockholders. As distributions have exceeded taxable income, no provision for federal income taxes has been make in the accompanying consolidated financial statements.

Earnings and profits, which determine the taxability of dividends to stockholders, differ from net income reported for financial reporting purposes primarily because of different depreciable lives and bases of rental properties and differences in the timing of recognition of earnings upon disposition of properties.

Regency Realty Group, Inc. and Regency Realty Group II, Inc. file separate tax returns and are subject to Federal and State income taxes. The two Management Companies had combined taxable income of $277,227 and $150,674 for the years ended December 31, 1997 and 1996, respectively, and incurred a taxable loss for the year ended December 31, 1995. Regency Realty Group, Inc. had a net operating loss carryforward of $1,057,644 at December 31, 1997, and accordingly paid no income tax in 1997. No income tax benefit has been recorded for the net operating loss carryforwards. Regency Realty Group II, Inc. paid $330,441 in Federal and State income tax in 1997, and had no operations prior to 1997.

At December 31, 1997, the net book basis of real estate assets exceeds the tax basis by approximately $39.6 million, primarily due to the difference between the cost basis of the assets acquired and their carryover basis recorded for tax purposes. At December 31, 1996, the tax basis of real estate assets exceeds the net book basis by approximately $1.9 million primarily due to higher depreciation expense for book purposes.

The following summarizes the tax status of dividends paid during the years ended December 31:

	1997	1996	1995
Dividend per Share	$1.68	1.62	1.58
Ordinary Income	85%	77%	64%

Capital Gain	-	-	-
Return of Capital	15%	23%	36%

(e) Deferred Costs

Deferred costs consist of internal and external commissions associated with leasing the rental property and loan costs incurred in obtaining financing which are limited to initial direct and incremental costs. The net leasing commission balance was $1,738,701 and $1,108,374 at December 31, 1997 and 1996, respectively. The net loan cost balance was $2,514,290 and $2,853,065 at December 31, 1997 and 1996, respectively. Such costs are deferred and amortized using the straight-line method over the terms of the respective leases and loans.

(f) Fair Value of Financial Instruments

The fair value of the Company's mortgage loans payable and acquisition and development line of credit are estimated based on the current rates available to the Company for debt of the same remaining maturities. Therefore, the Company considers their carrying value to be a reasonable estimation of their fair value.

(g) Earnings Per Share

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 128,"Earnings per Share", on December 31, 1997. This statement governs the computation, pre sentation, and disclosure requirements for earnings per share ("EPS") for entities with publicly held

(g) Earnings per Share (continued)

common stock. Effective December 31, 1997 the Company has calculated EPS in accordance with SFAS No. 128 and all periods presented have been restated.

Net income per share of common stock is computed based upon the weighted average number of common shares and share equivalents outstanding during the year. When dilutive, stock options, redeemable partnership units, and Class B common stock are included as share equivalents (see note 7 for the calculation of earnings per share).

(h) Cash and Cash Equivalents

Any instruments which have an original maturity of ninety days or less when purchased are considered cash equivalents.

(i) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's 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.

(j) Impairment of Long-Lived Assets

The Company adopted the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", on January 1, 1996. This Statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Adoption of this Statement did not have a material impact on the Company's financial position, results of operations, or liquidity.

(k) Stock Option Plan

Prior to January 1, 1996, the Company accounted for its stock option plan in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. As such, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. On January 1, 1996, the Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation", which requires entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to continue to apply the provisions of APB Opinion No. 25 and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants made in 1995 and future years as if the fair-value-based method defined in SFAS No. 123 had been applied. The Company has elected to continue to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

(l) Reclassifications

Certain reclassifications have been made to the 1995 and 1996 amounts to conform to classifications adopted in 1997.

2. Acquisitions of Shopping Centers

On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. ("RRLP"), substantially all of the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia, for $232.4 million. The assets acquired from Branch included 100% fee simple interests in 19 operating shopping centers and 1 center under development, and also partnership interests (ranging from 50% to 93%) in four partnerships with outside investors that owned 4 operating shopping centers and 2 centers under development. The Company also assumed the third party property management contracts of Branch on approximately 3 million SF of shopping center gross leasable area ("GLA") that generate management fees and leasing commission revenues.

At closing and during 1997, RRLP issued 3,572,427 units of limited partnership interest (the "Units") and the Company issued 155,797 shares of common stock in exchange for the assets acquired and the liabilities assumed from Branch. The Units are redeemable on a one-for-one basis in exchange for shares of common stock. On June 13, 1997, 3,027,080 partnership units were converted to common stock. The purchase price of Branch, as recorded in the Company's consolidated financial statements, includes approximately $96.4 million for Units and common stock issued (based upon $26.85, the fair market value of the Company's common stock on the date the acquisition was publicly announced), $27.3 million in cash, $7.8 million for transaction costs and to establish reserves, and $97.2 million of assumed debt. Limited partners' interest in consolidated partnerships of $7.9 million was recorded for the four partnerships with outside investors. For purposes of determining minority interest, the Company owned 32.6% of the outstanding Units in the Partnership until the approval by the Company's shareholders at its annual meeting on June 12, 1997, at which time 3,027,080 of the outstanding Units held by Unit Holders were redeemed for Common Stock. At completion of the redemption, the Company owned approximately 91% of the outstanding Units of the Partnership.

Additional Units and shares of common stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing (each an "Earn-Out Closing"), based on the performance of the properties acquired (the "Property Earn-Out"). The formula for the Property Earn-Out provides for calculating increases in value on a property-by-property basis, based on increases in net income of the year of calculation. The Property Earn-Out is limited to 721,997 units at the first Earn-Out Closing and 1,020,061 units at all Earn-Out Closings (including the first Earn-Out Closing).

Including the acquisition of the properties from Branch, the Company acquired or completed development of 38 shopping centers in 1997 and 13 shopping centers in 1996 (the "Acquisitions") accounted for as purchases, at cost totaling approximately $406.9 million and $107.1 million, respectively, through the issuance of common stock, partnership units, assumed mortgage loans and cash. The operating results are included in the Company's consolidated financial statements from the date each property was acquired. The following unaudited pro forma information presents the consolidated results of operations as if the Acquisitions had occurred on January 1, 1996, after giving effect to certain adjustments including depreciation expense, additional general and administration costs, interest expense on new debt incurred, and an increase in the weighted average common shares outstanding for common stock, operating partnership units, and Class B common stock issued to acquire the shopping centers as if shares and units had been issued on January 1, 1996. Pro forma revenues would have been $112.9 million and $102.4 million in 1997 and 1996, respectively. Pro forma net income for common stockholders would have been $27.8 million and $10.5 million in 1997 and 1996, respectively. Pro forma basic net income per share would have been $1.20 and $.63 in 1997 and 1996, respectively. Pro forma diluted net income per share would have been $1.17 and $.60, respectively. This data does not purport to be indicative of what would have occurred had the Acquisitions been made on January 1, 1996, or of results which may occur in the future.

3. Investments In Real Estate Partnerships

The Company accounts for all investments in which it owns less than 50% using the equity method. The Company has a 10% investment in Village Commons Shopping Center and during 1996 acquired a 25% investment in Ocean East Mall. The Company's combined investment in these two partnerships was $999,730 and $1,035,107 at December 31, 1997 and 1996, respectively. Net income is allocated in accordance with each of the partnership agreements.

4. Mortgage Loans Payable

Mortgage loans payable secured by real estate rental property are as follows:

	1997	1996
6.72%mortgage loan, held by a trust created for the benefit of investors who purchased mortgage pass-through certificates, non recourse to the Company, interest only paid monthly, due in full November 5, 2000	$ 51,000,000	51,000,000

7.04%to 7.97% mortgage notes, payable in monthly installments of $206,108 including principal and interest, maturing from December 15, 2000 to December 15, 2010	29,064,254	-
8.52% mortgage note, interest only, payable monthly maturing December 15, 2001	24,750,000	-
7.60%to 8.01% mortgage notes payable in monthly principal installments of $39,646 maturing from June 28, 2001 to August 17, 2002	22,005,752	22,465,410
7.92% to 8.95% mortgage notes, payable in monthly installments of $117,628, including principal and interest, maturing from October 1, 2005 to August 1, 2009	13,282,672	-
8.40%mortgage note, payable in monthly installments of $102,646 including principal and interest, maturing on June 1, 2017	12,916,746	-
7.84% mortgage note, payable in monthly installments of $92,119 including principal and interest, maturing on September 1, 2005	12,490,525	-
9.50% mortgage note, payable in monthly installments of $78,633 including principal and interest, maturing on March 1, 2002	8,713,253	8,823,403
9.80% mortgage note, payable in monthly installments of $73,899, including principal and interest, maturing on February 1, 1999	7,892,935	8,000,421

4. Mortgage Loans Payable (continued)

7.94% mortgage note, payable in monthly installments of $52,214 including principal and interest, maturing on December 21, 2002	6,612,868	-
9.75% mortgage note, payable in monthly installments of $55,630 including principal and interest, maturing on January 1, 1998	5,864,972	-
8.625% mortgage note, payable in monthly installments of $23,225 including principal and interest, maturing on June 1, 2003	2,295,238	-
7.90%to 8.10% mortgage notes, payable in monthly installments of $21,595, including principal and interest, maturing from April 1, 2012 to June 1, 2017	2,189,049	-
6.987% to 7.863% (Libor + 1.25%) mortgage notes, interest only, payable monthly maturing from November 30, 1998 to June 12, 2000	24,122,500	-
Construction notes payable, interest only payable monthly at Libor + 1.5% and Prime +1/4% maturing December, 2001	4,682,835	1,518,331
7.375% (Libor + 1.5%) mortgage note, payable in monthly principal installments of $4,438, maturing on August 1, 1998	2,035,643	-
8.28%mortgage note, payable in monthly installments of $37,598 including principal and interest, paid in		

full during 1997	-	3,801,821
8.72% mortgage note, rate adjusts annually, payable in monthly installments of $23,105 including principal and interest, paid in full during 1997	-	2,296,902
Total mortgage loans payable	$ 229,919,242	97,906,288

Principal maturities on the mortgage loans are as follows:

Year	Amount
1998	27,168,334
1999	9,518,649
2000	64,633,229
2001	39,361,601
2002	26,759,455
Thereafter	62,477,974
Total	229,919,242

As part of their borrowing arrangements, the Company is expected to maintain escrow balances for the payment of real estate taxes on the mortgaged properties, and in the case of the $51,000,000 mortgage loan, also maintain interest, insurance and specified capital improvement escrows. Escrow balances recorded as cash and cash equivalents were $3,292,325 and $1,069,337 at December 31, 1997 and 1996, respectively.

5. Acquisition and Development Line of Credit

The Company has a $150 million unsecured revolving line of credit which is used to finance real estate acquisitions and developments. The interest rate is based upon LIBOR plus 1.5% with interest only for two years, and if then terminated, becomes a two year term loan maturing in May, 2000 with principal due in seven equal quarterly installments. The borrower may request a one year extension of the interest only revolving period annually in May of each year.

On February 24, 1998, the Company entered into a commitment agreement with the various banks that provide the Line to increase the unsecured commitment amount to $300 million, provide for a $150 million competitive bid facility, and reduce the interest rate on the line based upon achieving an investment grade rating of BBB- or higher. Once ratings are achieved, the interest rate on the Line will be reduced to Libor plus .95%, and further reduced if the Company receives ratings better than the minimum requirement from two agencies. During the 1st quarter of 1998, the Company received investment grade ratings from Moody's of Baa2 and S&P of BBB-.

6. Stockholders' Equity

On June 11, 1996, the Company entered into a Stockholders Agreement (the "Agreement") with SC-USREALTY granting it certain rights such as purchasing common stock, nominating representatives to the Company's Board of Directors, and subjecting SC-USREALTY to certain restrictions including voting and ownership restrictions. The Agreement primarily granted SC-USREALTY (i) the right to acquire 7,499,400 shares for approximately $132 million and also participation rights entitling it to purchase additional equity in the Company, at the same price as that offered to other purchasers, each time that the Company sells additional shares of capital stock or options or other rights to acquire capital stock, in order to preserve SC-USREALTY's pro rata ownership position; and (ii) the right to nominate a proportionate number of directors on the Company's Board, rounded down to the nearest whole number, based upon

SC-USREALTY's percentage ownership of outstanding common stock (but not to exceed 49% of the Board). As of December 31, 1997, SC-USREALTY has acquired all of the 7,499,400 shares related to the Agreement. In connection with the Units and shares of common stock issued in exchange for Branch's assets (see note 2, Acquisitions of Shopping Centers), SC-USREALTY acquired 1,750,000 shares during August and December, 1997 at $22.125 per share in accordance with their rights as provided for in the Agreement.

For a period of at least five years (subject to certain exceptions), SC-USREALTY is precluded from, among other things, (i) acquiring more than 45% of the outstanding common stock on a diluted basis, (ii) transferring shares without the Company's approval in a negotiated transaction that would result in any transferee beneficially owning more than 9.8% of the Company's capital stock, or (iii) acting in concert with any third parties as part of a 13D group. Subject to certain exceptions, SC-USREALTY is required to vote its shares either as recommended by the Board of Directors or proportionately in accordance with the vote of the other shareholders.

On July 11, 1997, the Company sold 2,415,000 shares to the public at $27.25 per share. In connection with that offering, SC-USREALTY purchased an additional 1,785,000 shares at $27.25 directly from the Company. On August 11, 1997, the Underwriters exercised the over-allotment option and the Company issued an additional 129,800 shares to the public and 95,939 shares to SC-USREALTY at $27.25 per share. Total proceeds from the sale of common stock to the public and SC-USREALTY of approximately $117 million net of offering expenses was used to reduce the balance of the Company's line of credit.

In connection with the purchase of a shopping center on February 28, 1996, the Company issued 28,848 Partnership Operating Units to a limited partner convertible on a one for one basis into shares of common stock after the first anniversary of the issuance date.

6. Stockholders' Equity (continued)

The Company completed a $50,000,000 private placement by issuing 2,500,000 shares of non-voting Class B common stock to a single investor on December 20, 1995 (the "Private Placement"). The proceeds from the Private Placement were used to acquire five shopping centers. The Company initially issued $18,250,000 of

Series B preferred stock on October 26, 1995 to fund the acquisition of a shopping center. These shares were subsequently converted into Class B common stock. The Class B common stock is convertible into 2,975,468 shares of common stock beginning on the third anniversary of the issuance date, subject to certain limitations defined in the agreement. The dividend on each share of Class B common is payable when and if declared by the Board of Directors pari passu with any dividend on the common stock of the Company.

7. Earnings Per Share

The following summarizes the calculation of basic and diluted earnings per share for the years ended, December 31, 1997, 1996, and 1995 (in thousands except per share data):

Basic Earnings Per Share (EPS) Calculation:	1997	1996	1995
Weighted average common shares outstanding	17,424	7,331	6,630
Net income for common stockholders	$ 27,402	9,907	4,994
Less: dividends paid on Class B common stock	5,140	3,879	-

Net income for Basic EPS	22,262	6,028	4,994
	=======	=====	=====
Basic EPS	1.28	0.82	0.75
	=======	=====	=====
Diluted Earnings Per Share (EPS) Calculation:			
Weighted average shares outstanding for Basic EPS	17,424	7,331	6,630
Redeemable operating partnership units	1,243	18	-
Incremental shares to be issued under common stock options using the Treasury method	80	3	-
Contingent units or shares for the acquisition of real estate	955	-	-
	-------	-----	-----
Total diluted shares	19,702	7,352	6,630
	=======	=====	=====
Net income for Basic EPS	$ 22,262	6,028	4,994
Add: minority interest of redeemable partnership units	2,042	-	-
	-------	-----	-----
Net income for Diluted EPS	24,304	46,028	4,994
	=======	======	=====
Diluted EPS	1.23	0.82	0.75
	$ =======	======	=====

Class B common stock is not included in the above calculation because it is anti-dilutive.

8. Long-term Stock Incentive Plans

In 1993, the Company adopted a Long Term Omnibus Plan (the "Plan") pursuant to which the Board of Directors may grant stock and stock options to officers, directors and other key employees. The Plan provides for the issuance of up to 12% of the Company's common shares outstanding not to exceed 3 million shares of authorized but unissued common stock. Stock options are granted with an exercise price equal to the stock's fair market value at the date of grant. All stock options granted have ten year terms, and with respect to officers and other key employees, become fully exercisable after five years from the date of grant, and with respect to directors, become fully exercisable after one year.

At December 31, 1997, there were approximately 1.3 million shares available for grant under the Plan. The per share weighted-average fair value of stock options granted during 1997 and 1996 was $3.26 and $3.04 on the date of grant using the Black Scholes option-pricing model with the following weighted-average assumptions: 1997 - expected dividend yield 6.3%, risk-free interest rate of 6.3%, expected volatility 21%, and an expected life of 5.7 years; 1996 - expected dividend yield 6.6%, risk-free interest rate of 5.9%, expected volatility 21%, and an expected life of five years. The Company applies APB Opinion No. 25 in accounting for its Plan and, accordingly, no compensation cost has been recognized forits stock options in the consolidated financial statements.

Had the Company determined compensation cost based on the fair value at the grant date for its stock options under SFAS No. 123, the Company's net income for common stockholders would have been reduced to the pro forma amounts indicated below (in thousands except per share data):

Net income for common stockholders	1997	1996	1995
As reported	$27,402	9,907	4,994
Net income per share:			
Basic	1.28	0.82	0.75
Diluted	1.23	0.82	0.75
Pro forma	25,777	9,897	4,994(*)

Net income per share:			
Basic	1.18	0.82	0.75
Diluted	1.15	0.82	0.75

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* The options granted during 1995 were issued on December 31, 1995 and accordingly had no effect to income.

Pro forma net income for common stockholders reflects only options granted in 1997, 1996 and 1995. Therefore, the full impact of calculating compensation cost for stock options under SFAS No. 123 is not reflected in the pro forma net income for common stockholders amounts presented above because compensation cost is reflected over the options' vesting period and compensation cost for options granted prior to January 1, 1995 is not considered.

8. Long-term Stock Incentive Plans (continued)

Stock option activity during the periods indicated is as follows:

	Number of Shares	Weighted-Average Exercise Price
Outstanding, December 31, 1994	191,000	$19.16
Granted	6,000	17.25
Forfeited	(11,000)	19.25
Outstanding, December 31, 1995	186,000	19.09
Granted	12,000	24.67
Outstanding, December 31, 1996	198,000	19.43
Granted	1,252,276	25.39
Forfeited	(7,000)	23.54
Exercised	(124,769)	19.25
Outstanding, December 31, 1997	1,318,507	$25.08

The following table presents information regarding all options outstanding at December 31, 1997.

Number of Options Outstanding	Weighted Average Remaining Contractual Life	Range of Exercise Prices	Weighted Average Exercise Price
61,231	6.1 years	$ 16.75 - 19.25	$ 18.77
1,155,800	9.0 years	25.25	25.25
101,476	6.8 years	26.25 - 27.75	26.99
1,318,507	8.7 years	$ 16.75 - 27.75	$ 25.08

The following table presents information regarding options currently exercisable at December 31, 1997.

Number of Options Exercisable	Range of Exercise Prices	Weighted Average Exercise Price

61,231	$ 16.75 - 19.25	$ 18.77
240,500	25.25 - 26.25	25.27
76,476	26.88	26.88
378,207	$ 16.75 - 26.88	$ 24.54

Also as part of the Plan, in 1993 and 1996, certain officers purchased common stock at fair market value directly from the Company, of which 90% and 95%, respectively, was financed by a stock purchase loan provided by the Plan. These recourse loans are fully secured by stock, bear interest at fixed rates of 7.34% to 7.79% and mature after ten years. The Board of Directors may authorize the forgiveness of all or a portion of the principal balance based on the Company's achievement of specified financial objectives, and total stockholder return performance targets. During 1997, 1996, and 1995, $601,516, $646,598 and $379,418 was forgiven, respectively, and is included as a charge to income on the consolidated statements of operations. The Company also has a performance based restricted stock plan for officers whereby a portion of the shares authorized under the Plan may be granted upon the achievement of certain total stockholder return performance targets. Shares granted under the plan become fully vested by January 1, 2000. During 1997 and 1996, the Company charged $259,600 and $809,400 to income on the consolidated statement of operations related to the restricted stock plan.

9. Operating Leases

The Company's properties are leased to tenants under operating leases with expiration dates extending to the year 2041. Future minimum rent under noncancelable operating leases as of December 31,1997, excluding tenant reimbursements of operating expenses and excluding additional contingent rentals based on tenants' sales volume are as follows:

Year ending December 31,	Amount
1998	$ 82,113,717
1999	73,918,555
2000	65,821,489
2001	53,281,014
2002	45,529,249
Thereafter	306,007,382
Total	$626,671,406

At December 31, 1997, the real estate portfolio as a whole was approximately 92.8% leased.

The shopping centers' tenant base includes primarily national and regional supermarkets, drug stores, discount department stores and other retailers and, consequently, the credit risk is concentrated in the retail industry. There were no tenants which individually represented 10% or more of the Company's combined minimum rent. The combined annualized rent from the Company's four largest retail tenants represented approximately 20% of annualized minimum rent at December 31, 1997.

10. Related Party Transactions

The Company provides management, leasing, and brokerage services for certain commercial real estate properties of The Regency Group, Inc. and its affiliates ("TRG"), a corporation wholly-owned by certain officers and stockholders of the Company. Fees for such services are charged to TRG based on current market rates. From time to time, certain personnel of the Company may provide administrative services to TRG, pursuant to an agreement. The cost of such services are reimbursed by TRG based on percentage allocations of management time and general overhead made in compliance with applicable regulations of the Internal Revenue Service.

11. Contingencies

The Company like others in the commercial real estate industry, is subject to numerous environmental laws and regulations and the operation of dry cleaning plants at the Company's shopping centers is the principal environmental concern. The Company believes that the dry cleaners are operating in accordance with current laws and regulations and has established procedures to monitor their operations. While the Company has registered the plants located in Florida under a state funded program designed to substantially fund the clean up, if necessary, of any environmental issues, the owner or operator is not relieved from the ultimate responsibility for clean up. The Company also has established

due diligence procedures to identify and evaluate potential environmental issues on properties under consideration for acquisition. In connection with acquisitions during 1997 and 1996, the Company established environmental reserves of $1,944,633 and $600,000, respectively. While it is not possible to predict with certainty, management believes that the reserves are adequate to cover future clean-up costs related to these sites. The Company's policy is to accrue environmental clean-up costs when it is probable that a liability has been incurred and that amount is reasonably estimable. Based on information presently available, no additional environmental accruals were made and management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or operations of the Company.

12. Subsequent Event

On March 11, 1998, the Company acquired the real estate assets of entities comprising the Midland Group ("Midland") consisting of 21 shopping centers (the "Midland Properties") plus a development pipeline of 11 shopping centers. Of the 21 centers acquired, 20 are anchored by Kroger and King Soopers, a Kroger subsidiary. Eight of the shopping centers included in the development pipeline will be owned through a joint venture in which the Company will own less than a 50% interest upon completion of construction.

At closing and during 1998, the Company will pay approximately $230.4 million for the 21 properties and pay transaction costs through the issuance of units of RRLP interest valued at $26.58 per unit or cash to $47 million, the assumption of $92.5 million of debt, and $90.9 million to pay off existing secured real estate loans. The Company will incur additional costs to establish reserves, pay severance, and prepay existing assumed loans. Subsequent to 1998, the Company expects to pay approximately $12.7 million to acquire equity interests in the development pipeline as the properties reach stabilization. The Company may also be required to make payments aggregating $10.5 million through the year 2000 contingent upon increases in net income from existing properties, the development pipeline, and new properties developed or acquired in accordance with the contribution agreement.

13. Market and Dividend Information (Unaudited)

The Company trades on the New York Stock Exchange under the symbol "REG". The Company currently has approximately 3,500 shareholders. The following table sets forth the high and low prices and the cash dividends declared on the Company's common stock by quarter for 1997 and 1996.

	1997			1996		
	High Price	Low Price	Cash Dividends Declared	High Price	Low Price	Cash Dividends Declared
March 31	$ 28.000	25.000	.42	17.500	15.875	.405

June 30	28.125	24.875	.42	21.125	16.500	.405
September 30	28.250	24.875	.42	22.375	19.250	.405
December 31	28.000	24.250	.42	26.250	21.125	.405

14. Summary of Quarterly Financial Data (Unaudited)

Presented below is a summary of the consolidated quarterly financial data for the years ended December 31, 1997 and 1996.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(amounts in thousands, except per share data)			
1997:				
Revenues	$ 17,733	24,626	26,790	28,638
Net income for common stockholders	4,037	4,727	8,743	9,895
Net income per share:				
Basic	.25	.26	.34	.37
Diluted	.25	.26	.32	.35
1996:				
Revenues	$ 10,501	10,952	12,030	13,464
Net income for common stockholders	2,576	2,597	3,025	1,709
Net income per share:				
Basic	.24	.24	.26	.09
Diluted	.24	.24	.26	.09

Independent Auditors' Report On Financial Statement Schedule

The Shareholders and Board of Directors
Regency Realty Corporation

Under date of February 3, 1998, except for Note 12 as to which the date is March 1, 1998, we reported on the consolidated balance sheets of Regency Realty Corporation as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1997, as contained in the annual report on Form 10-K for the year 1997. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedule as listed in the accompanying index on page F-1 of the annual report on Form 10-K for the year 1997. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

In our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG Peat Marwick LLP

Jacksonville, Florida

February 3, 1998

REGENCY REALTY CORPORATION Schedule III

Combined Real Estate and Accumulated Depreciation
December 31, 1997

	Initial Cost		Cost Capitalized	Total Cost		
	Land	Building & Improvements	Subsequent to Acquistion	Land	Building & Improvements	Total
Anastasia Shopping Plaza	1,072,451	3,617,493	112,404	1,072,451	3,729,897	4,802,348
Ashford Place	2,803,998	9,943,994	79,313	2,803,998	10,023,307	12,827,305
Aventura	2,751,094	9,317,790	117,291	2,751,094	9,435,081	12,186,175
Berkshire Commons	2,294,960	8,151,236	36,131	2,294,960	8,187,367	10,482,327
Bolton Plaza	2,660,227	6,209,110	1,168,755	2,634,663	7,403,429	10,038,092
Bonner's Point	859,854	2,878,641	129,319	859,854	3,007,960	3,867,814
Boynton Lakes	2,783,000	10,043,027	-	2,783,000	10,043,027	12,826,027
Braelin Village	4,191,214	12,389,585	29,000	4,191,214	12,418,585	16,609,799
Briarcliff LaVista	694,120	2,462,819	-	694,120	2,462,819	3,156,939
Briarcliff Village	4,597,018	16,303,813	-	4,597,018	16,303,813	20,900,831
Buckhead Court	1,737,569	6,162,941	101,703	1,737,569	6,264,644	8,002,213
Cambridge Square	792,000	2,916,034	9,503	792,000	2,925,537	3,717,537
Carmel Commons	2,466,200	8,903,187	394,450	2,466,200	9,297,637	11,763,837
Carriage Gate	740,960	2,494,750	973,938	740,960	3,468,688	4,209,648
Chasewood Plaza	1,675,000	11,390,727	4,316,793	2,476,486	14,906,034	17,382,520
City View	1,207,204	4,341,304	23,534	1,207,204	4,364,838	5,572,042
Columbia Marketplace	1,280,158	4,285,745	147,651	1,280,158	4,433,396	5,713,554
Country Club	1,105,201	3,709,452	71,058	1,105,201	3,780,510	4,885,711
Courtyard	1,761,567	4,187,039	194,673	1,761,567	4,381,712	6,143,279
Cromwell Square	1,771,892	6,285,288	-	1,771,892	6,285,288	8,057,180
Cumming 400	2,374,562	8,420,776	1,506	2,374,562	8,422,282	10,796,844
Dunwoody Hall	1,819,209	6,450,922	13,824	1,819,209	6,464,746	8,283,955
Dunwoody Village	2,326,063	7,216,045	107,404	2,326,063	7,323,449	9,649,512
East Port Plaza	3,257,023	11,611,363	98,247	3,257,023	11,709,610	14,966,633
Ensley Square	915,493	3,120,928	-	915,493	3,120,928	4,036,421
Garden Square	2,073,500	7,614,748	5,250	2,073,500	7,619,998	9,693,498
Glenwood Village	1,194,198	4,235,476	48,930	1,194,198	4,284,406	5,478,604
Harpeth Village	2,283,874	5,559,498	-	2,283,874	5,559,498	7,843,372
Hyde Park Plaza	9,240,000	33,340,181	2,650	9,240,000	33,342,831	42,582,831
Kingsdale	3,866,500	14,019,614	-	3,866,500	14,019,614	17,886,114
LaGrange Marketplace	983,923	3,294,003	92,936	983,923	3,386,939	4,370,862
Loehmann's Plaza	3,981,525	14,117,891	-	3,981,525	14,117,891	18,099,416
Lovejoy Station	1,540,000	5,581,468	1,654	1,540,000	5,583,122	7,123,122
Lucedale Marketplace	641,565	2,147,848	54,535	641,565	2,202,383	2,843,948
Mainstreet Square	1,274,027	4,491,897	9,666	1,274,027	4,501,563	5,775,590
Mariner's Village	1,628,000	5,907,835	106,970	1,628,000	6,014,805	7,642,805
Marketplace - Alexander City	1,211,605	4,056,242	2,827,753	1,758,433	6,337,167	8,095,600
Marketplace - Murphreesburo	2,432,942	1,755,643	1,813,070	2,432,942	3,568,713	6,001,655
Market Place - St. Petersburg	1,287,000	4,662,740	145,115	1,287,000	4,807,855	6,094,855
Martin Downs Shoppes	700,000	1,207,861	865,494	817,135	1,956,220	2,773,355
Martin Downs Village Center	2,000,000	5,133,495	2,419,646	2,437,664	7,115,477	9,553,141
Memorial Bend	3,256,181	11,546,660	-	3,256,181	11,546,660	14,802,841
Merchants Village	1,054,306	3,162,919	-	1,054,306	3,162,919	4,217,225
Millhopper	1,073,390	3,593,523	142,278	1,073,390	3,735,801	4,809,191

<FN>

(*) The year acquired or year constructed is in Item 2. Properties in the Company's Form 10-K.
</FN>

Schedule III
-continued-

	Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Mortgages
Anastasia Shopping Plaza	454,375	4,347,973	-
Ashford Place	270,924	12,556,381	4,737,136
Aventura	1,635,974	10,550,201	8,713,253
Berkshire Commons	833,858	9,648,469	7,892,935

Bolton Plaza	703,549	9,334,543	-
Bonner's Point	427,867	3,439,947	1,613,000
Boynton Lakes	-	12,826,027	-
Braelin Village	303,120	16,306,679	12,490,525
Briarcliff LaVista	59,584	3,097,355	1,667,855
Briarcliff Village	438,272	20,462,559	13,439,036
Buckhead Court	150,456	7,851,757	-
Cambridge Square	72,374	3,645,163	-
Carmel Commons	173,087	11,590,750	-
Carriage Gate	544,405	3,665,243	2,377,489
Chasewood Plaza	2,187,169	15,195,351	8,000,000
City View	162,095	5,409,947	-
Columbia Marketplace	543,836	5,169,718	2,586,000
Country Club	453,904	4,431,807	2,264,000
Courtyard	1,097,497	5,045,782	1,378,000
Cromwell Square	168,957	7,888,223	4,518,368
Cumming 400	226,366	10,570,478	6,489,309
Dunwoody Hall	173,531	8,110,424	-
Dunwoody Village	138,770	9,510,742	5,864,972
East Port Plaza	221,661	14,744,972	-
Ensley Square	60,018	3,976,403	-
Garden Square	47,723	9,645,775	6,612,868
Glenwood Village	102,842	5,375,762	2,295,238
Harpeth Village	-	7,843,372	4,682,835
Hyde Park Plaza	496,340	42,086,491	24,750,000
Kingsdale	86,841	17,799,273	-
LaGrange Marketplace	409,552	3,961,310	1,645,000
Loehmann's Plaza	379,505	17,719,911	10,000,000
Lovejoy Station	69,796	7,053,326	-
Lucedale Marketplace	269,896	2,574,052	1,390,000
Mainstreet Square	89,814	5,685,776	-
Mariner's Village	111,949	7,530,856	-
Marketplace - Alexander City	677,302	7,418,298	4,933,946
Marketplace - Murphreesburo	76,255	5,925,400	2,035,643
Market Place - St. Petersburg	245,981	5,848,874	-
Martin Downs Shoppes	278,923	2,494,432	1,313,000
Martin Downs Village Center	1,056,091	8,497,050	4,150,000
Memorial Bend	279,358	14,523,483	8,545,536
Merchants Village	67,584	4,149,641	-
Millhopper	739,083	4,070,108	2,401,000

<FN>
(*) The year acquired or year constructed is in Item 2. Properties in the Company's Form 10-K.
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Schedule III
-continued-

	Initial Cost		Cost Capitalized	Total Cost		
	Land	Building & Improvements	Subsequent to Acquistion	Land	Building & Improvements	Total
Newberry Square	2,341,460	8,466,651	671,840	2,341,460	9,138,491	11,479,951
North Miami Shopping Center	603,750	2,021,250	85,432	603,750	2,106,682	2,710,432
Oakley Plaza	1,772,540	6,406,975	20,481	1,772,540	6,427,456	8,199,996
Ocean Breeze	1,250,000	3,341,199	2,358,464	1,527,400	5,422,263	6,949,663
Old St. Augustine Plaza	2,047,151	7,355,162	36,833	2,047,151	7,391,995	9,439,146
Orchard Square	1,155,000	4,135,353	248,460	1,155,000	4,383,813	5,538,813
Paces Ferry Plaza	2,811,522	9,967,557	222,957	2,811,522	10,190,514	13,002,036
Palm Harbour	2,899,928	10,998,230	315,287	2,899,928	11,313,517	14,213,445
Paragon Cable Building	570,000	2,472,537	-	570,000	2,472,537	3,042,537
Parkway Station	1,123,200	4,283,917	115,856	1,123,200	4,399,773	5,522,973
Peachland Promenade	1,284,562	5,143,564	58,119	1,284,562	5,201,683	6,486,245
Peartree Village	5,196,653	8,732,711	4,408,150	5,196,653	13,140,861	18,337,514
Pine Tree Plaza	539,000	1,995,927	-	539,000	1,995,927	2,534,927
Powers Ferry Square	3,607,647	12,790,749	6,762	3,607,647	12,797,511	16,405,158
Powers Ferry Village	1,190,822	4,223,606	-	1,190,822	4,223,606	5,414,428
Quadrant	2,342,823	15,541,967	1,315,295	2,343,699	16,856,386	19,200,085
Regency Square at Brandon	577,975	18,156,719	7,307,792	4,491,461	21,551,025	26,042,486
Regency Court	3,571,337	12,664,014	3,480	3,571,337	12,667,494	16,238,831
Rivermont Station	2,887,213	10,445,109	-	2,887,213	10,445,109	13,332,322
Roswell Village	2,304,345	6,777,200	-	2,304,345	6,777,200	9,081,545
Russell Ridge	2,153,214	-	6,546,957	2,215,341	6,484,830	8,700,171
Sandy Plains Village	2,906,640	10,412,440	1,635	2,906,640	10,414,075	13,320,715
Sandy Springs Village	733,126	2,565,411	65,000	733,126	2,630,411	3,363,537
Seven Springs	1,737,994	6,290,048	1,424,083	1,757,441	7,694,684	9,452,125
Tamiami Trails	2,046,286	7,462,646	-	2,046,286	7,462,646	9,508,932
Tequesta Shoppes	1,782,000	6,426,042	120,447	1,782,000	6,546,489	8,328,489
Terrace Walk	1,196,286	2,935,683	92,305	1,196,286	3,027,988	4,224,274
Town Center at Martin Downs	1,364,000	4,985,410	7,903	1,364,000	4,993,313	6,357,313
Town Square	438,302	1,555,481	-	438,302	1,555,481	1,993,783
Trowbridge Crossing	910,263	1,914,551	-	910,263	1,914,551	2,824,814
Union Square	1,578,654	5,933,889	108,926	1,578,654	6,042,815	7,621,469
University Collection	2,530,000	8,971,597	90,249	2,530,000	9,061,846	11,591,846
University Marketplace	3,250,562	7,044,579	2,209,804	3,532,046	8,972,899	12,504,945
Village Center	3,885,444	10,799,316	295,220	3,885,443	11,094,537	14,979,980
Villages of Trussville	973,954	3,260,627	88,634	973,954	3,349,261	4,323,215
Welleby Plaza	1,496,000	5,371,636	253,171	1,496,000	5,624,807	7,120,807
Wellington Market Place	5,070,384	13,308,972	222,784	5,070,384	13,531,756	18,602,140
Wellington Town Square	1,914,000	7,197,934	574,179	1,914,000	7,772,113	9,686,113
West County Marketplace	1,491,462	4,993,155	123,569	1,491,462	5,116,724	6,608,186
Westland One	198,344	1,747,391	60,445	198,344	1,807,836	2,006,180
Woodcroft Shopping Center	1,419,000	5,211,981	312,251	1,419,000	5,524,232	6,943,232
	170,813,416	582,552,737	46,435,214	177,245,784	622,555,583	799,801,367

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<FN>

(*) The year acquired or year constructed is in Item 2. Properties in the Company's Form 10-K.
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Schedule III
-continued-

	Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Mortgages
Newberry Square	1,072,541	10,407,410	6,656,968
North Miami Shopping Center	488,954	2,221,478	1,160,000
Oakley Plaza	126,236	8,073,760	-
Ocean Breeze	748,808	6,200,855	2,805,000
Old St. Augustine Plaza	209,150	9,229,996	-
Orchard Square	219,788	5,319,025	-
Paces Ferry Plaza	269,031	12,733,005	5,065,000
Palm Harbour	393,904	13,819,541	-
Paragon Cable Building	242,120	2,800,417	-
Parkway Station	206,224	5,316,749	-
Peachland Promenade	420,484	6,065,761	4,280,979
Peartree Village	196,402	18,141,112	12,916,746
Pine Tree Plaza	-	2,534,927	-
Powers Ferry Square	309,526	16,095,632	-
Powers Ferry Village	102,184	5,312,244	2,949,686
Quadrant	4,356,804	14,843,281	-
Regency Square at Brandon	5,449,050	20,593,436	12,000,000
Regency Court	306,445	15,932,386	5,732,000
Rivermont Station	130,374	13,201,948	-
Roswell Village	125,446	8,956,099	-
Russell Ridge	445,001	8,255,170	6,403,370
Sandy Plains Village	368,719	12,951,996	-
Sandy Springs Village	56,976	3,306,561	-
Seven Springs	868,180	8,583,945	-
Tamiami Trails	77,983	9,430,949	-
Tequesta Shoppes	216,001	8,112,488	-
Terrace Walk	545,763	3,678,511	683,000
Town Center at Martin Downs	135,242	6,222,071	-
Town Square	37,632	1,956,151	1,525,500
Trowbridge Crossing	36,818	2,787,996	1,800,000
Union Square	211,085	7,410,384	-
University Collection	270,068	11,321,778	-
University Marketplace	1,553,812	10,951,133	-
Village Center	577,869	14,402,111	-
Villages of Trussville	427,292	3,895,923	1,775,000
Welleby Plaza	336,416	6,784,391	-
Wellington Market Place	767,986	17,834,154	-
Wellington Town Square	292,551	9,393,562	-
West County Marketplace	683,268	5,924,918	3,190,000
Westland One	391,646	1,614,534	-
Woodcroft Shopping Center	135,538	6,807,694	-
	40,795,801	759,005,566	227,730,193

<FN>

(*) The year acquired or year constructed is in Item 2. Properties in the Company's Form 10-K.
</FN>

Schedule III
-continued-

Depreciation and amortization of the Company's investment in buildings and improvements reflected in the statement of operations is calculated over the estimated useful lives of the assets as follows:

Buildings and improvements	up to 40 years

The aggregate cost for Federal income tax purposes was approximately $719,377,653 at December 31, 1997.

The changes in total real estate assets for the period ended December 31, 1997 and 1996:

		1997	1996
Balance, beginning of period		389,007,481	278,731,167
Developed or acquired properties		408,475,251	107,378,064
Sale of property		(2,907,503)	-
Improvements		5,226,138	2,898,250
Balance, end of period	$	799,801,367	389,007,481

The changes in accumulated depreciation for the period ended December 31, 1997 and 1996:

		1997	1996
Balance, beginning of period		26,213,225	18,631,310
Sale of property		(713,176)	-
Depreciation for period		15,295,752	7,581,915
Balance, end of period	$	40,795,801	26,213,225

Equity Ownership of
Subsidiaries of Regency Realty Corporation
March 23, 1998

ENTITY	JURISDICTION	OWNER(S)	NATURE OF INTEREST	% OF OWNERSHIP
Regency Realty Group, Inc.	Florida	The Regency Group, Inc.	Common Stock	93%
(formerly Regency		Regency Centers, L.P.	Common Stock	7%
Realty Group II, Inc.)		Regency Centers, L.P.	Preferred Stock	100%
RRC Lender, Inc.	Florida	Regency Realty Group, Inc.	Common Stock	100%
Village Commons Shopping Center	Florida	Regency Realty Group, Inc.	General Partnership**	10%
Chestnut Powder LLC	Georgia	Regency Realty Group, Inc.	Member	
Marietta Outparcel, Inc.	Georgia	Regency Realty Group, Inc.	Common Stock	100%
Barnett Shoales, LLC	Georgia	Regency Realty Group, Inc.	Member	
Edmunson Orange Corp.	Tennessee	Regency Realty Group, Inc.	Common Stock	100%
RRC FL SPC, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC GA SPC, Inc.	Georgia	Regency Realty Corporation	Common Stock	100%
RRC AL SPC, Inc.	Alabama	Regency Realty Corporation	Common Stock	100%
RRC MS SPC, Inc.	Mississippi	Regency Realty Corporation	Common Stock	100%
RRC General SPC, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC Limited SPC, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC FL Five, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC FL Seven, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC Acquisitions, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
RRC Acquisitions Two, Inc.	Florida	Regency Realty Corporation	Common Stock	100%
Regency Office Partnership, L.P.	Delaware	Regency Centers, L.P.	General Partnerhsip**	50%
		Regency Realty Corporation	Limited Partnership	50%
Regency Centers, L.P.	Delaware	Regency Realty Corporation	General Partnership**	%
		Regency Realty Corporation	Limited Partnership	%
		Outside Investors	Limited Partnership 1	%
Equiport Associates, L.P.	Georgia	Regency Centers, L.P.	General Partnership**	55%
Branch/HOP Associates, L.P.	Georgia	Regency Centers, L.P.	General Partnership**	50.01%
Old Fort Associates, L.P.	Georgia	Regency Centers, L.P.	General Partnership**	66.70%
Fieldstone Associates, L.P.	Georgia	Regency Centers, L.P.	General Partnership**	70%
Roswell Village, Ltd.	Georgia	Regency Centers L.P.	General Partnership**	100%
Treasure Coast Investors, Ltd.	Florida	RRC General SPC, Inc.	General Partnership**	99%
		RRC Limited SPC, Inc.	Limited Partnership	1%
Regency Rosewood Temple Terrace,	Florida	RRC General SPC, Inc.	General Partnership**	99%
Ltd.		RRC Limited SPC, Inc.	Limited Partnership	1%
Landcom Regency Mandarin, Ltd.	Florida	RRC General SPC, Inc.	General Partnership**	99%
		RRC Limited SPC, Inc.	Limited Partnership	1%
RSP IV Criterion, Ltd.	Florida	RRC General SPC, Inc.	General Partnership**	99%
		RRC Limited SPC, Inc.	Limited Partnership	1%
RRC Operating Partnership of Georgia L.P.	Georgia	Regency Centers, L.P.	General Partnership**	16%
Regency Ocean East Partnership Limited	Florida	Regency Centers, L.P.	General Partnership**	25%
Regency Retail Centers of Ohio, Inc.	Ohio	Regency Realty Corporation	Common Stock	100%
Hyde Park Partners, L.P.	Ohio	Regency Retail Centers of Ohio, Inc.	General Partnership**	98.95%
		Midland Hyde Park Partners, L.P.	General Partnership**	1.00%
		Midland Hyde Park Partners, L.P.	Limited Partnership	.05%
R&M Western Partnership, L.P.	Delaware	Regency Realty Group, Inc.	General Partnership**	1.00%
		Regency Centers, L.P.	Limited Partnership	24.00%
Delk Spectrum, L.P.	Georgia	Regency Realty Corporation	General Partnership**	6.21%
		Outside Investors	Limited Partnership	93.79%

- -----------------

** General Partner has liability for debts of the Partnership

1 Redeemable for shares of Regency Realty Corporation Common Stock

Independent Auditors' Consent

The Board of Directors
Regency Realty Corporation:

We consent to incorporation by reference in the registration statements, (No. 33-86886, No. 333-930, No. 333-2546, and No. 333-31077, and No. 333-37911) on Form S-3 and (No. 333-24971) on Form S-8, of Regency Realty Corporation of our reports dated February 3, 1998, except for note 12 as to which the date is March 1, 1998, relating to the consolidated balance sheets of Regency Realty Corporation as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1997, and related schedule, which reports appear in the December 31, 1997 annual report of Form 10-K of Regency Realty Corporation.

KPMG PEAT MARWICK LLP

Jacksonville, Florida
March 23, 1998

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THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY
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