United States
SECURITIES AND EXCHANGE COMMISSION
Washington DC 20549

FORM 10-Q

(Mark One)

[X] For the quarterly period ended September 30, 1998

-or-

[ ]Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ________ to ________

Commission File Number 1-12298

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

Florida	59-3191743
(State or other jurisdiction of incorporation or organization)	(IRS 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 number, including area code)

Unchanged
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No[ ]

(Applicable only to Corporate Registrants)

As of November 16, 1998, there were 25,500,847 shares outstanding of the Registrant's common stock.

Item 1. Financial Statements

REGENCY REALTY CORPORATION
Consolidated Balance Sheets
September 30, 1998 and December 31, 1997

	1998 (unaudited)	1997
Assets		
Real estate investments, at cost:		
Land	$ 246,756,201	177,245,784
Buildings and improvements	881,513,572	622,555,583
Construction in progress - development for investment	7,220,442	13,427,370
Construction in progress - development for sale	16,727,205	20,173,039
	1,152,217,420	833,401,776
Less: accumulated depreciation	52,411,077	40,795,801
	1,099,806,343	792,605,975
Investments in real estate partnerships	24,812,813	999,730
Net real estate investments	1,124,619,156	793,605,705
Cash and cash equivalents	18,400,723	16,586,094
Tenant receivables, net of allowance for uncollectible accounts of $2,093,924 and $1,162,570 at September 30, 1998 and December 31, 1997, respectively	16,564,787	9,546,584
Deferred costs, less accumulated amortization of $4,665,683 and $3,842,914 at September 30, 1998 and December 31, 1997	5,616,341	4,252,991
Other assets	7,835,853	2,857,217
	$ 1,173,036,860	826,848,591
Liabilities and Stockholders' Equity		
Liabilities:		
Notes payable	432,747,566	229,919,242
Acquisition and development line of credit	45,931,185	48,131,185

Accounts payable and other liabilities	26,778,204	11,597,232
Tenants' security and escrow deposits	2,928,138	2,319,941
Total liabilities	508,385,093	291,967,600
Series A preferred units	78,800,000	-
Exchangeable operating partnership units	26,152,418	13,777,156
Limited partners' interest in consolidated partnerships	7,632,148	7,477,182
	112,584,566	21,254,338
Stockholders' equity:		
Common stock $.01 par value per share: 150,000,000 shares authorized; 25,504,430 and 23,992,037 shares issued and outstanding at September 30, 1998 and December 31, 1997	255,044	239,920
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
Additonal paid in capital	579,138,204	535,498,878
Distributions in excess of net income	(16,992,945)	(20,494,893)
Stock loans	(10,358,102)	(1,642,252)
Total stockholders' equity	552,067,201	513,626,653
Commitments and contingencies		
	$ 1,173,036,860	826,848,591

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Three Months ended September 30, 1998 and 1997
(unaudited)

	1998	1997
Revenues:		
Minimum rent	$ 27,162,566	19,364,235
Percentage rent	173,589	504,178
Recoveries from tenants	6,419,085	4,317,917
Management, leasing and brokerage fees	2,616,945	2,601,076
Equity in income of investments in real estate partnerships	364,779	2,557
Total revenues	36,736,964	26,789,963
Operating expenses:		
Depreciation and amortization	6,600,399	4,427,304
Operating and maintenance	4,605,159	3,978,209
General and administrative	3,375,878	2,545,388
Real estate taxes	3,263,624	2,450,520
Total operating expenses	17,845,060	13,401,421
Interest expense (income):		
Interest expense	6,831,323	4,527,622
Interest income	(418,671)	(276,112)
Net interest expense	6,412,652	4,251,510
Income before minority interests and sale of real estate investments	12,479,252	9,137,032
Minority interest of redeemable partnership units	(486,954)	(172,945)
Minority interest of limited partners	(189,385)	(220,589)
Minority interest preferred unit distribution	(1,733,333)	-
Loss on sale of real estate investments	(8,871)	-
Net income for common stockholders	$ 10,060,709	8,743,498
Net income per share:		
Basic	$ 0.34	0.34
Diluted	$ 0.34	0.32

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Nine Months ended September 30, 1998 and 1997
(unaudited)

	1998	1997
Revenues:		
Minimum rent	$ 74,823,359	49,924,839
Percentage rent	1,835,450	1,612,115
Recoveries from tenants	17,057,500	11,303,821
Management, leasing and brokerage fees	8,023,313	6,288,601
Equity in income of investments in real estate partnerships	511,189	19,694
Total revenues	102,250,811	69,149,070
Operating expenses:		
Depreciation and amortization	17,984,954	11,501,974
Operating and maintenance	13,077,060	9,966,899
General and administrative	10,638,327	7,761,402
Real estate taxes	9,051,428	6,049,354
Total operating expenses	50,751,769	35,279,629
Interest expense (income):		
Interest expense	19,704,693	14,748,996
Interest income	(1,385,054)	(728,715)
Net interest expense	18,319,639	14,020,281
Income before minority interests and sale of real estate investments	33,179,403	19,849,160
Minority interest of redeemable partnership units	(1,378,777)	(1,776,382)
Minority interest of limited partners	(389,544)	(565,731)
Minority interest preferred unit distribution	(1,733,333)	-
Gain on sale of real estate investments	10,737,226	-
Net income for common stockholders	40,414,975	17,507,047
Net income per share:		
Basic	$ 1.45	0.89
Diluted	$ 1.42	0.87

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 1998 and 1997

(unaudited)

	1998	1997
Cash flows from operating activities:		
Net income	40,414,975	17,507,047
Adjustments to reconcile net income to net		
Cash provided by operating activities:		
Depreciation and amortization	17,984,954	11,501,974
Deferred financing cost and debt premium amortization	(510,223)	674,326
Minority interest of redeemable partnership units	1,378,777	1,776,382
Minority interest preferred unit distribution	1,733,333	-
Minority interest of limited partners	389,544	565,731
Equity in income of investments in real estate partnerships	(511,189)	(19,694)
Gain on sale of real estate investments	(10,737,226)	-
Changes in assets and liabilities:		
Tenant receivables	(6,559,472)	736,356
Deferred leasing commissions	(1,491,666)	(580,641)
Other assets	(6,508,924)	(1,177,680)
Tenants' security deposits	608,197	386,550
Accounts payable and other liabilities	17,430,472	6,661,691
Net cash provided by operating activities	53,621,552	38,032,042
Cash flows from investing activities:		
Acquisition and development of real estate	(174,869,327)	(132,952,663)
Investment in real estate partnerships	(23,337,738)	-
Capital improvements	(4,825,026)	(2,662,606)
Construction in progress for sale, net of reimbursement	3,445,834	(8,094,704)
Proceeds from sale of real estate investments	30,662,197	-
Distributions received from real estate partnership investments	35,844	50,000
Net cash used in investing activities	(168,888,216)	(143,659,973)
Cash flows from financing activities:		
Net proceeds from common stock issuance	9,733,060	208,356,926
Proceeds from issuance of partnership units	7,694	2,255,140
Distributions to partnership unit holders	(1,471,599)	(1,710,402)
Contributions from limited partners in consolidated partnerships	164,785	-
Net distributions to limited partners in consolidated partnerships	(399,362)	(160,983)
Distributions to preferred unit holders	(1,733,333)	-
Dividends paid to stockholders	(36,913,032)	(22,862,071)
Net proceeds from issuance of Series A preferred units	78,800,000	-
Net proceeds from term notes	99,758,000	-
Repayment of acquisition and development line of credit, net	(2,200,000)	(69,870,000)
Proceeds from mortgage loans payable	7,345,000	14,649,706
Repayment of mortgage loans payable	(34,765,133)	(18,727,758)
Deferred financing costs	(1,244,787)	(564,586)
Net cash provided by financing activities	117,081,293	111,365,972
Net increase in cash and cash equivalents	1,814,629	5,738,041
Cash and cash equivalents at beginning of period	16,586,094	8,293,229
Cash and cash equivalents at end of period	18,400,723	14,031,270

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 1998 and 1997
(unaudited)
-continued-

	1998	1997
Supplemental disclosure of non-cash transactions:		
Mortgage loans assumed from sellers of real estate	131,858,223	142,448,966
Exchangeable operating partnership units and common stock issued to acquire real estate	34,957,703	96,380,706

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 1998

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 interim unaudited financial statements (the "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 96% of the outstanding units of Regency Centers, L.P., ("RCLP" or the "Partnership" formally known as Regency Retail Partnership, L.P.) 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 RCLP and the Majority Partnerships are included in the consolidated financial statements as Exchangeable operating partnership units, Series A preferred units and limited partners' interests in consolidated partnerships, respectively. The Company is a qualified real estate investment trust ("REIT") which began operations in 1993.

The Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are of a normal recurring nature, and in the opinion of management, are necessary to properly state the results of operations and financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. The Financial Statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1997 Form 10-K filed with the Securities and Exchange Commission.

(b) Statement of Financial Accounting Standards No. 130

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("FAS 130"), which is effective for fiscal years beginning after December 15, 1997. FAS 130 establishes standards for reporting total comprehensive income in financial statements, and requires that Companies explain the differences between total comprehensive income and net income. Management has adopted this statement in 1998. No differences between total comprehensive income and net income existed in the interim financial statements reported at September 30, 1998 and 1997.

1. Summary of Significant Accounting Policies (continued)

(c) Statement of Financial Accounting Standards No. 131

The FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131"), which is effective for fiscal years beginning after December 15, 1997. FAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. Management does not believe that FAS 131 will effect its current disclosures.

(d) Emerging Issues Task Force Issue 97-11

Effective March 19, 1998, the Emerging Issues Task Force (EITF) ruled in Issue 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", that only internal costs of identifying and acquiring non-operating properties that are directly identifiable with the acquired properties should be capitalized, and that all internal costs associated with identifying and acquiring operating properties should be expensed as incurred. The Company had previously capitalized direct costs associated with the acquisition of operating properties as a cost of the real estate. The Company has adopted EITF 97-11 effective March 19, 1998. During 1997, the Company capitalized approximately $1.5 million of internal costs related to acquiring operating properties. Through the effective date of EITF 97-11, the Company has capitalized $474,000 of internal acquisition costs. For the remainder of 1998, the Company expects to incur $1.1 million of internal costs related to acquiring operating properties which will be expensed.

(e) Emerging Issues Task Force Issue 98-9

On May 22, 1998, the EITF reached a consensus on Issue 98-9 "Accounting for Contingent Rent in Interim Financial Periods". The EITF has stated that lessors should defer recognition of contingent rental income that is based on meeting specified targets until those specified targets are met and not ratably throughout the year. The Company has previously recognized contingent rental income (i.e. percentage rent) ratably over the year based on the historical trends of its tenants. The Company has adopted Issue 98-9 prospectively and has ceased the recognition of contingent rents until such time as its tenants have achieved their specified target. The Company believes this will affect the interim period in which percentage rent is recognized, however it will not have a material impact on the annual recognition of percentage rent.

(f) Reclassifications

Certain reclassifications have been made to the 1997 amounts to conform to classifications adopted in 1998.

2. Acquisitions of Shopping Centers

During the first nine months of 1998, the Company acquired 27 shopping centers for approximately $317.2 million (the "1998 Acquisitions"). In January, 1998, the Company entered into an agreement to acquire 32 shopping centers from various entities comprising the Midland Group ("Midland"). Of the 32 centers to be acquired or developed, 31 are anchored by Kroger, or its affiliate. The Company currently owns 20 of the shopping centers fee simple through RCLP and 12 joint ventures. All of the shopping centers included in the development pipeline are owned through various joint ventures in which the Company owns less than a 50% interest (the "JV Properties"). The Company's investment in the properties acquired from Midland is $220.4 million at September 30, 1998. The Company expects to acquire the un-owned interests in two of the JV Properties for approximately $20.7 million prior to year-end. During 1998, 1999 and 2000, including all payments made to date, the Partnership will pay approximately $241 million for the properties, including the assumption of debt, and in addition may pay contingent consideration of up to an estimated $23 million, through the issuance of Partnership units and the payment of cash. Whether contingent consideration will be issued, and if issued, the amount of such consideration, will depend on the satisfaction during 1998, 1999, and 2000 of performance criteria relating to the assets acquired from Midland. For example, if a property acquired as part of Midland's development pipeline satisfies specified performance criteria at closing and when development is completed, the transferors of the property may be entitled to additional Partnership units based on the development cost of the properties and their net operating income. Transferors who received cash at the initial Midland closing will receive contingent future consideration in cash rather than units.

In March, 1997, the Company acquired 26 shopping centers from Branch Properties ("Branch") for $232.4 million. Additional Units and shares of common stock may be issued after the first, second and third anniversaries of the closing with Branch (each an "Earn-Out Closing"), based on the performance of the properties acquired. The formula for the earn-out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for the properties acquired, as of February 15 of the year of calculation. The earn-out is limited to 721,997 Units at the first Earn-Out Closing and 1,020,061 Units for all Earn-Out Closings (including the first Earn-Out Closing). During March, 1998, the Company issued 721,997 Units and shares valued at $18.2 million to the partners of Branch.

3. Notes Payable and Unsecured Line of Credit

The Company's outstanding debt at September 30, 1998 and December 31, 1997 consists of the following:

		1998	1997
Notes Payable:			
Fixed rate mortgage loans	$	298,687,120	199,078,264
Variable rate mortgage loans		12,620,514	30,840,978
Fixed rate unsecured loans		121,439,932	-
Unsecured line of credit		45,931,185	48,131,185
Total	$	478,678,751	278,050,427

During March, 1998, the Company modified the terms of its unsecured line of credit (the "Line") by increasing the commitment to $300 million, reducing the interest rate, and incorporating a competitive bid facility of up to $150 million of the commitment amount. Maximum availability under

3. Notes Payable and Unsecured Line of Credit (continued)

the Line is subject to a pool of unencumbered assets which cannot have an aggregate value less than 175% of the amount of the Company's outstanding unsecured liabilities. The Line matures in May 2000, but may be extended annually for one year periods. Borrowings under the Line bear interest at a variable rate based on LIBOR plus a specified spread, (.875% currently), which is dependent on the Company's investment grade rating. The Company's ratings are currently Baa2 from Moody's Investor Service, BBB from Duff and Phelps, and BBB- from Standard and Poors. The Company is required to comply with certain financial covenants consistent with this type of unsecured financing. The Line is used primarily to finance the acquisition and development of real estate, but is available for general working capital purposes.

On June 29, 1998, the Company through RCLP issued $80 million of 8.125% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 1.6 million Series A Preferred Units for $50.00 per unit. The Series A Preferred Units, which may be called by the Partnership at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. At any time after June 25, 2008, the Series A Preferred Units may be exchanged for shares of 8.125% Series A Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit. The Series A Preferred Units and Series A Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the Partnership's bank line of credit.

On July 17, 1998 the Company through RCLP, completed a $100 million private offering of seven year term notes at an effective interest rate of 7.17%. The Notes were priced at 162.5 basis points over the current yield for seven year US Treasury Bonds. The net proceeds of the offering were used to repay borrowings under the line of credit.

Mortgage loans are secured by certain real estate properties, but generally may be prepaid subject to a prepayment of a yield-maintenance premium. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2018. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 basis points to 150 basis points. Fixed interest rates on mortgage loans range from 7.04% to 9.8%.

During the first nine months of 1998, the Company assumed mortgage loans with a face value of $120,414,970 related to the acquisition of shopping centers. The Company has recorded the loans at fair value which created debt premiums of $11,443,253 related to assumed debt based upon the above market interest rates of the debt instruments. Debt premiums are being amortized over the terms of the related debt instruments.

Unconsolidated partnerships and joint ventures had mortgage loans payable of $74,905,055 at September 30, 1998, and the Company's share of these loans was $31,250,636.

3. Notes Payable and Unsecured Line of Credit (continued)

As of September 30, 1998, scheduled principal repayments on notes payable and the unsecured line of credit were as follows:

1998	$	8,643,469
1999		23,208,035
2000		107,025,255
2001		43,935,827
2002		46,819,743
Thereafter		238,970,935
Subtotal		468,603,264
Net unamortized debt premiums		10,075,487
Total	$	478,678,751

4. Earnings Per Share

The following summarizes the calculation of basic and diluted earnings per share for the three months ended, September 30, 1998 and 1997 (in thousands except per share data):

		1998	1997
Basic Earnings Per Share (EPS) Calculation:			
Weighted average common shares outstanding		25,457	21,741
Net income for common stockholders	$	10,061	8,743
Less: dividends paid on Class B common stock		1,344	1,285
Net income for Basic EPS	$	8,717	7,458
Basic EPS	$	.34	.34
Diluted Earnings Per Share (EPS) Calculation:			
Weighted average shares outstanding for Basic EPS		25,457	21,741
Exchangeable operating partnership units		1,307	574
Incremental shares to be issued under common stock options using the Treasury method		-	83
Contingent units or shares for the acquisition of real estate		493	1,139
Total diluted shares		27,257	23,537
Net income for Basic EPS	$	8,717	7,458
Add: minority interest of Exchangeable partnership units		487	173
Net income for Diluted EPS	$	9,204	7,631
Diluted EPS	$	.34	.32

4. Earnings Per Share (continued)

The following summarizes the calculation of basic and diluted earnings per share for the nine months ended, September 30, 1998 and 1997 (in thousands except per share data):

		1998	1997
Basic Earnings Per Share (EPS) Calculation:			
Weighted average common shares outstanding		25,045	15,379
Net income for common stockholders	$	40,415	17,507
Less: dividends paid on Class B common stock		4,033	3,855
Net income for Basic EPS	$	36,382	13,652
Basic EPS	$	1.45	.89
Diluted Earnings Per Share (EPS) Calculation:			
Weighted average shares outstanding for Basic EPS		25,045	15,379
Exchangeable operating partnership units		1,193	1,469
Incremental shares to be issued under common stock options using the Treasury method		-	87
Contingent units or shares for the acquisition of real estate		418	886
Total diluted shares		26,656	17,821
Net income for Basic EPS	$	36,382	13,652
Add: minority interest of Exchangeable partnership units		1,379	1,776
Net income for Diluted EPS	$	37,761	15,428
Diluted EPS	$	1.42	.87

PART I

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (dollar amounts in thousands).

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 in this Form 10-Q, and with the Company's Form 10-K dated December 31, 1997. 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. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which the Company operates, management's beliefs and assumptions made by management.

Organization

The Company is a qualified real estate investment trust ("REIT") which began operations in 1993. The Company invests in real estate primarily through its general partnership interest in Regency Centers, L.P., ("RCLP" or "Partnership") an operating partnership in which the Company currently owns approximately 96% of the outstanding partnership units ("Units"). Of the 125 properties included in the Company's portfolio at September 30, 1998, 104 properties were owned either fee simple or through partnerships interests by RCLP. At September 30, 1998, the Company had an investment in real estate, at cost, of approximately $1.2 billion of which $967 million or 82% was owned by RCLP.

Shopping Center Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood infill shopping centers. 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:

	September 30, 1998			December 31, 1997		
Location	# Properties	GLA	% Leased	# Properties	GLA	% Leased
Florida	46	5,737,147	91.5%	45	5,267,894	91.5%
Georgia	27	2,714,759	91.1%	25	2,539,507	92.4%
North Carolina	12	1,241,784	97.7%	6	554,332	99.0%
Ohio	12	1,696,027	92.7%	2	629,920	89.1%
Alabama	5	517,880	99.5%	5	516,080	99.9%
Texas	5	451,227	89.4%	-	-	-
Colorado	5	447,663	84.3%	-	-	-
Tennessee	4	295,257	98.7%	3	208,386	98.5%
Kentucky	1	205,060	95.6%	-	-	-
South Carolina	1	79,723	100.0%	1	79,743	84.3%
Virginia	2	197,324	99.5%	-	-	-
Michigan	1	85,478	99.0%	-	-	-
Delaware	1	232,752	95.5%	-	-	
Missouri	1	82,498	99.8%	-	-	-
Mississippi	2	185,061	99.1%	2	185,061	96.9%
Total	125	14,169,640	92.7%	89	9,980,923	92.8%

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. The following table summarizes the four largest tenants occupying the Company's shopping centers:

Grocery Anchor	Number of Stores	% of Total GLA	% of Annual Base Rent	Average Remaining Lease Term
Kroger *	36	15.3%	14.2%	20 yrs
Publix	33	10.0%	7.2%	12 yrs
Winn Dixie	17	5.5%	4.1%	11 yrs
Harris Teeter	4	1.3%	1.7%	16 yrs

*includes properties under development scheduled for opening in 1998 and 1999. Excluding development properties, Kroger would represent 12.9% of GLA and 11.8% of annual base rent.

Acquisition and Development of Shopping Centers

During the first nine months of 1998, the Company acquired 27 shopping centers for approximately $317.2 million (the "1998 Acquisitions"). In January, 1998, the Company entered into an agreement to acquire 32 shopping centers from various entities comprising the Midland Group ("Midland"). Of the 32 centers to be acquired or developed, 31 are anchored by Kroger, or its affiliate. The Company currently owns 20 of the shopping centers fee simple through RCLP and 12 through joint ventures. All of the shopping centers included in the development pipeline are owned through various joint ventures in which the Company owns less than a 50% interest (the "JV Properties"). The Company's investment in the properties acquired from Midland is $220.4 million at September 30, 1998. The Company expects to acquire the un-owned interests in two of the JV Properties for approximately $20.7 million prior to year-end. During 1998, 1999 and 2000, including all payments made to date, the Partnership will pay approximately $241 million for the properties, including the assumption of debt, and in addition may pay contingent consideration of up to an estimated $23 million, through the issuance of Partnership units and the payment of cash. Whether contingent consideration will be issued, and if issued, the amount of such consideration, will depend on the satisfaction during 1998, 1999, and 2000 of performance criteria relating to the assets acquired from Midland. For example, if a property acquired as part of Midland's development pipeline satisfies specified performance criteria at closing and when development is completed, the transferors of the property will be entitled to additional Partnership units based on the development cost of the properties and their net operating income. Transferors who received cash at the initial Midland closing may receive contingent future consideration in cash rather than units.

The Company acquired 35 shopping centers during 1997 (the "1997 Acquisitions") for approximately $395.7 million. The 1997 Acquisitions include the acquisition of 26 shopping centers from Branch Properties ("Branch") for $232.4 million in March, 1997. The real estate acquired from Branch included 100% fee simple interests in 20 shopping centers, and also partnership interests (ranging from 50% to 93%) in four partnerships with outside investors that owned six shopping centers. The Company was also assigned 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. Additional Units and shares of common stock may be issued after the first, second and third anniversaries of the closing with Branch (each an "Earn-Out Closing"), based on the performance of the properties acquired. The formula for the earn-out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for the properties acquired, as of February 15 of the year of calculation. The earn-out is limited to 721,997 Units at the first Earn-Out Closing and 1,020,061 Units for all Earn-Out Closings (including the first Earn-Out Closing). During March, 1998, the Company issued 721,997 Units and shares valued at $18.2 million to the partners of Branch.

Liquidity and Capital Resources

Management anticipates that cash generated from operating activities will provide the necessary funds on a short-term basis for its operating expenses, interest expense and scheduled principal payments on outstanding indebtedness, recurring capital expenditures necessary to properly maintain the shopping centers, and distributions to unit holders. Net cash provided by operating activities was $53.6 million and $38 million for the nine months ended September 30, 1998 and 1997. The Company paid dividends and distributions of $40.5 million and $24.7 million, during 1998 and 1997, respectively. In 1998, the Company increased its quarterly dividend per share and distribution per unit to $.44 vs $.42 in 1997, had more outstanding shares and units in 1998 vs. 1997; and accordingly, expects dividends and distributions paid during 1998 to increase substantially over 1997.

Management expects to meet long-term liquidity requirements for debt maturities, and acquisition, renovation and development of shopping centers from: (i) excess cash generated from operating activities, (ii) working capital reserves, (iii) additional debt borrowings, and (iv) additional equity raised in the public markets. Net cash used in investing activities was $168.9 million and $143.7 million, during 1998 and 1997, respectively, as discussed above in Acquisitions and Development of Shopping Centers. Net cash provided by financing activities was $117.1 million and $111.4 million during 1998 and 1997, respectively. At September 30, 1998, the Company had 14 shopping centers under construction or undergoing major renovations. Total committed costs necessary to complete the properties under development is estimated to be $35.1 million and will be expended through August 1999.

The Company's outstanding debt at September 30, 1998 and December 31, 1997 consists of the following:

	1998	1997
Notes Payable:		
Fixed rate mortgage loans	$ 298,687	199,078
Variable rate mortgage loans	12,621	30,841
Fixed rate unsecured loans	121,440	-
Unsecured line of credit	45,931	48,131
Total	$ 478,679	278,050

The weighted average interest rate on total debt at September 30, 1998 and 1997 was 7.4%, respectively. The Company's debt is typically cross-defaulted, but not cross-collateralized, and includes usual and customary affirmative and negative covenants.

The Company is a party to a credit agreement dated as of March 27, 1998, providing for an unsecured line of credit (the "Line") from a group of lenders currently consisting of Wells Fargo Bank, National Association, First Union National Bank, Wachovia Bank, N.A., NationsBank, N.A., AmSouth Bank, Commerzbank AG, Atlanta Branch, PNC Bank, National Association, and Star Bank, N.A. This credit agreement modified the terms of the Company's prior line of credit by increasing the commitment to $300 million, reducing the interest rate, and incorporating a competitive bid facility of up to $150 million of the commitment amount. Maximum availability under the Line is based on the discounted value of a pool of eligible unencumbered assets (determined on the basis of capitalized net operating income) less the amount of the Company's outstanding unsecured liabilities. The Line matures in May 2000, but may be extended annually for one year periods. Borrowings under the Line bear interest at a variable rate based on LIBOR plus a specified spread, (.875% currently), which is dependent on the Company's investment grade rating. The Company's ratings are currently Baa2 from Moody's Investor Service, BBB from Duff and Phelps, and BBB- from Standard and Poors. The Company is required to comply with certain financial and other covenants customary with this type of unsecured financing. These financial covenants include (i) maintenance of minimum net worth, (ii) ratio of total liabilities to gross asset value, (iii) ratio of secured indebtedness to gross asset value, (iv) ratio of EBITDA to interest expense, (v) ratio of EBITDA to debt service and reserve for replacements, and (vi) ratio of unencumbered net operating income to interest expense on unsecured indebtedness. The Line is used primarily to finance the acquisition and development of real estate, but is available for general working capital purposes.

On June 29, 1998, the Company through RCLP issued $80 million of 8.125% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 1.6 million Series A Preferred Units for $50.00 per unit. The Series A Preferred Units, which may be called by the Company at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. At any time after June 25, 2008, the Series A Preferred Units may be exchanged for shares of 8.125% Series A Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit. The Series A Preferred Units and Series A Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the Partnership's bank line of credit.

On July 17, 1998 the Company, through RCLP, completed a $100 million private offering of term notes at an effective interest rate of 7.17%. The Notes were priced at 162.5 basis points over the current yield for seven year US Treasury Bonds. The net proceeds of the offering were used to reduce the balance of the Line.

Mortgage loans are secured by certain real estate properties, but generally may be prepaid subject to a prepayment of a yield-maintenance premium. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2018. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 basis points to 150 basis points. Fixed interest rates on mortgage loans range from 7.04% to 9.8%.

During the first nine months of 1998, the Company assumed mortgage loans with a face value of $120.4 million related to the acquisition of shopping centers. The Company has recorded the loans at fair value which created debt premiums of $11.4 million related to assumed debt based upon the above market interest rates of the debt instruments. Debt premiums are being amortized over the terms of the related debt instruments.

Unconsolidated partnerships and joint ventures had mortgage loans payable of $74.9 million at September 30, 1998, and the Company's share of these loans was $31.2 million.

As of September 30, 1998, scheduled principal repayments on notes payable and the unsecured line of credit were as follows:

1998	$	8,643
1999		23,208
2000		107,025
2001		43,936
2002		46,820
Thereafter		238,972
Subtotal		468,604
Net unamortized debt premiums		10,075
Total	$	478,679

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, it also 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 1998 as a result of the acquisitions discussed above. The Company intends to continue to acquire and develop shopping centers during 1998, and 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.

Results from Operations

Comparison of the Nine Months Ended September 30, 1998 to 1997

Revenues increased $33.1 million or 47.9% to $102.3 million in 1998. The increase was due primarily to the 1998 and 1997 Acquisitions providing increases in revenues of $28.2 million during 1998. At September 30, 1998, the real estate portfolio contained approximately 14.2 million SF, was 92.7% leased and had average rents of $9.18 per SF. Minimum rent increased $24.9 million or 50%, and recoveries from tenants increased $5.8 million or 51%. On a same property basis (excluding the 1998 and 1997 Acquisitions) gross rental revenues decreased $.5 million or 1%, primarily due to the sale of the office properties. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were $8 million in 1998 compared to $6.3 million in 1997, the increase due primarily to fees earned from third party property management and leasing contracts acquired as part of the acquisition of Branch and Midland. During 1998, the Company sold four office buildings and a parcel of land for $ 30.7 million, and recognized a gain on the sale of $10.7 million. As a result of these transactions the Company's real estate portfolio is comprised entirely of neighborhood shopping centers. The proceeds from the sale were applied toward the purchase of the 1998 acquisitions.

Operating expenses increased $15.5 million or 44% to $50.8 million in 1998. Combined operating and maintenance, and real estate taxes increased $6.1 million or 38% during 1998 to $22.1 million. The increases are due to the 1998 and 1997 Acquisitions generating operating and maintenance expenses and real estate tax increases of $6.9 million during 1998. On a same property basis, operating and maintenance expenses and real estate taxes decreased $.8 or 8% due to the sale of the four office properties. General and administrative expenses increased 37% during 1998 to $10.6 million due to the hiring of new employees and related office expenses necessary to manage the shopping centers acquired during 1998 and 1997, as well as, the shopping centers the Company began managing for third parties during 1998 and 1997. Depreciation and amortization increased $6.5 million during 1998 or 56% primarily due to the 1998 and 1997 Acquisitions generating $10.2 million in depreciation and amortization.

Interest expense increased to $19.7 million in 1998 from $14.7 million in 1997 or 34% due to increased average outstanding loan balances related to the financing of the 1998 and 1997 Acquisitions on the Line and the assumption of debt.

Net income for common stockholders was $40.4 million in 1998 vs. $17.5 million in 1997, a $22.9 million or 131% increase for the reasons previously described. Diluted earnings per share in 1998 was $1.42 vs. $.87 in 1997 due to the increase in net income combined with the dilutive impact from the increase in weighted average common shares and equivalents of 8.8 million primarily due to the acquisition of Branch and Midland, the issuance of shares to SC-USREALTY during 1997, and the public offering completed in July, 1997.

Comparison of the Three Months Ended September 30, 1998 to 1997

Revenues increased $9.9 million or 37.1% to $36.7 million in 1998. The increase was due primarily to the 1998 and 1997 Acquisitions providing increases in revenues of $8.7 million during 1998. Minimum rent increased $7.8 million or 40%, and recoveries from tenants increased $2.1 million or 49%. On a same property basis (excluding the 1998 and 1997 Acquisitions) gross rental revenues decreased $.3 million or 2%, primarily due to the sale of the office properties. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were $2.6 million in 1998 and 1997.

Operating expenses increased $4.4 million or 33% to $17.8 million in 1998. Combined operating and maintenance, and real estate taxes increased $1.4 million or 22% during 1998 to $7.9 million. The increases are due to the 1998 and 1997 Acquisitions generating operating and maintenance expenses and real estate tax increases of $1.8 million during 1998. On a same property basis, operating and maintenance expenses and real estate taxes decreased $.4 or 10% due to the sale of the office properties. General and administrative expenses increased 33% during 1998 to $3.4 million due to the hiring of new employees and related office expenses necessary to manage the shopping centers acquired during 1998 and 1997, as well as, the shopping centers the Company began managing for third parties during 1998 and 1997. Depreciation and amortization increased $2.2 million during 1998 or 49% primarily due to the 1998 and 1997 Acquisitions generating $4.1 million in depreciation and amortization.

Interest expense increased to $6.8 million in 1998 from $4.5 million in 1997 or 51% due to increased average outstanding loan balances related to the financing of the 1998 and 1997 Acquisitions on the Line and the assumption of debt.

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 63% from 1997 to 1998 as a result of the acquisition activity discussed above under "Results of Operations". FFO for the nine months ended September 30, 1998 and 1997 are summarized in the following table:

		1998	1997
Net income for common stockholders	$	40,415	17,507
Add (subtract):			
Real estate depreciation and amortization		17,582	11,090
Gain on sale of operating property		(9,835)	-
Minority interests in net income of Exchangeable partnership units		1,378	1,776
Funds from operations	$	49,540	30,373
Cash flow provided by (used in):			
Operating activities	$	53,621	38,032
Investing activities		(168,888)	(143,660)
Financing activities		117,081	111,366

New Accounting Standards and Accounting Changes

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("FAS 130"), which is effective for fiscal years beginning after December 15, 1997. FAS 130 establishes standards for reporting total comprehensive income in financial statements, and requires that Companies explain the differences between total comprehensive income and net income. Management has adopted this statement in 1998. No differences between total comprehensive income and net income existed in the interim financial statements reported at September 30, 1998 and 1997.

The FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131"), which is effective for fiscal years beginning after December 15, 1997. FAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. Management does not believe that FAS 131 will effect its current disclosures.

Effective March 19, 1998, the Emerging Issues Task Force (EITF) ruled in Issue 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", that only internal costs of identifying and acquiring non-operating properties that are directly identifiable with the acquired properties should be capitalized, and that all internal costs associated with identifying and acquiring operating properties should be expensed as incurred. The Company had previously capitalized direct costs associated with the acquisition of operating properties as a cost of the real estate. The Company has adopted EITF 97-11 effective March 19, 1998. During 1997, the Company capitalized approximately $1.5 million of internal costs related to acquiring operating properties. Through the effective date of EITF 97-11, the Company has capitalized $474,000 of internal acquisition costs. For the remainder of 1998, the Company expects to incur $1.1 million internal costs related to acquiring operating properties which will be expensed.

On May 22, 1998, the EITF reached a consensus on Issue 98-9 "Accounting for Contingent Rent in Interim Financial Periods". The EITF has stated that lessors should defer recognition of contingent rental income that is based on meeting specified targets until those specified targets are met and not ratably throughout the year. The Company has previously recognized contingent rental income (i.e. percentage rent) ratably over the year based on the historical trends of its tenants. The Company has adopted Issue 98-9 prospectively and has ceased the recognition of contingent rents until such time as its tenants have achieved their specified target. The Company believes this will effect the interim period in which percentage rent is recognized, however it will not have a material impact on the annual recognition of percentage rent.

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.

Inflation

Inflation has remained relatively low during 1998 and 1997 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 Compliance

Management recognizes the potential effect Year 2000 may have on the Company's operations and, as a result, has implemented a Year 2000 Compliance Project. The term "Year 2000 compliant" means that the software, hardware, equipment, goods or systems utilized by, or material to the physical operations, business operations, or financial reporting of an entity will properly perform date sensitive functions before, during and after the year 2000.

The Company's Year 2000 Compliance Project includes an awareness phase, an assessment phase, a renovation phase, and a testing phase of our data processing network, accounting and property management systems, computer and operating systems, software packages, and building management systems. The project also includes surveying our major tenants and financial institutions. Total costs incurred to date associated with the Company's Year 2000 compliance project have been reflected in the Company's income statement throughout 1997 and 1998, and were approximately $250,000.

The Company's computer hardware, operating systems, general accounting and property management systems and principal desktop software applications are Year 2000 compliant as certified by the various vendors. We are currently testing these systems, and expect to complete the testing phase by December 31, 1998. Based on initial testing, Management does not anticipate any Year 2000 issues that will materially impact operations or operating results.

An assessment of the Company's building management systems has been completed. This assessment has resulted in the identification of certain lighting, telephone, and voice mail systems that may not be Year 2000 compliant. While we have not yet begun renovations, Management believes that the cost of upgrading these systems will not exceed $500,000. It is anticipated that the renovation and testing phases will be complete by June 30, 1999.

The Company has surveyed its major tenants and financial institutions to determine the extent to which the Company is vulnerable to third parties' failure to resolve their Year 2000 issues. The Company will be able to more adequately assess its third party risk when responses are received from the majority of the entities contacted.

Management believes its planning efforts are adequate to address the Year 2000 Issue and that its risk factors are primarily those that it cannot directly control, including the readiness of its major tenants and financial institutions. Failure on the part of these entities to become Year 2000 compliant could result in disruption in the Company's cash receipt and disbursement functions. There can be no guarantee, however, that the systems of unrelated entities upon which the Company's operations rely will be corrected on a timely basis and will not have a material adverse effect on the Company.

The Company does not have a formal contingency plan or a timetable for implementing one. Contingency plans will be established, if they are deemed necessary, after the Company has adequately assessed the impact on operations should third parties fail to properly respond to their Year 2000 issues.

PART II

Item 1. Legal Proceedings

None

Item 5. Other Information

Regency Realty Corporation
Pro Forma Condensed Consolidated Financial Statements

The following unaudited pro forma condensed consolidated balance sheet is based upon the historical consolidated balance sheet of Regency Realty Corporation (the Company) as of September 30, 1998 as if the Company had completed the acquisition of one additional shopping center subsequent to period end. The following unaudited pro forma consolidated statements of operations of the Company are based upon the historical consolidated statements of operations for the nine-month period ended September 30, 1998 and the year ended December 31, 1997. These statements are presented as if the Company had acquired all of its properties as of January 1, 1997. These unaudited pro forma condensed consolidated financial statements should be read in conjunction with the Company's Form 10-K as of and for the three years ended December 31, 1997 and Form 10-Q filed for the period September 30, 1998.

The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of what the actual financial position or results of operations of the Company would have been at September 30, 1998 or December 31, 1997 assuming the transactions had been completed as set forth above, nor does it purport to represent the financial position or results of operations of the Company in future periods.

Regency Realty Corporation
Pro Forma Condensed Consolidated Balance Sheet
September 30, 1998
(Unaudited)
(in thousands)

	Historical	Adjustments	Pro Forma
Assets			
Real estate investments, at cost	$ 1,128,270	19,200 (a)	1,147,470
Construction in progress	23,947	-	23,947
Less: accumulated depreciation	52,411	-	52,411
Real estate rental property, net	1,099,806	19,200	1,119,006
Investments in real estate partnerships	24,813	-	24,813
Net real estate investments	1,124,619	19,200	1,143,819
Cash and cash equivalents	18,401	-	18,401
Tenant receivables, net of allowance for uncollectible accounts	16,565	-	16,565
Deferred costs, less accumulated amortization	5,616	-	5,616
Other assets	7,836		7,836
Total Assets	$ 1,173,037	19,200	1,192,237
Liabilities and Stockholders' Equity			
Notes payable	$ 432,748	-	432,748
Acquisition and development line of credit	45,931	19,200 (a)	65,131
Total debt	478,679	19,200	497,879
Accounts payable and other liabilities	26,778	-	26,778
Tenant's security and escrow deposits	2,928	-	2,928
Total liabilities	508,385	19,200	527,585
Series A preferred units	78,800	-	78,800
Exchangeable operating partnership units	26,153	-	26,153
Limited partners' interest in consolidated partnerships	7,632	-	7,632
	112,585	-	112,585
Common stock and additional paid in capital	569,060	-	569,060
Distributions in excess of net income	(16,993)	-	(16,993)
Total stockholders' equity	552,067	-	552,067
Total liabilities and stockholders' equity	$ 1,173,037	19,200	1,192,237

See accompanying notes to pro forma condensed consolidated balance sheet.

Regency Realty Corporation
Notes to Pro Forma Condensed Consolidated Balance Sheet
September 30, 1998
(Unaudited)
(In thousands)

(a) Acquisitions of Shopping Centers:

In January 1998, the Company entered into an agreement to acquire 32 shopping centers from various entities comprising the Midland Group. The Company has acquired 20 Midland shopping centers fee simple and 12 through joint ventures prior to September 30, 1998 containing 2.2 million square feet for approximately $220.4 million. Those shopping centers are included in the Company's September 30, 1998 balance sheet.

Subsequent to September 30, 1998, the Company expects to acquire the unonwned interests in two of the joint venture properties under development for $20.7 million. In addition, during 1998, the Company expects to pay $4.6 million in additional costs related to joint venture investments and other transaction costs related to acquiring the various shopping centers from Midland, and during 1999 and 2000 expects to pay contingent consideration of $23.0 million. The following table represents the properties under development which the Company expects to acquire from Midland upon completion of construction during 1998. These properties are not included in these pro forma condensed consolidated financial statements.

	Expected Acquisition Date	Purchase Price
Nashboro	December-98	$ 7,260
Crooked Creek	December-98	13,471
		$ 20,731

In addition, the Company acquired one other shopping center for an aggregate purchase price of $19.2 million which is reflected in the pro forma balance sheet. The shopping center, Hinsdale Lake Commons, was acquired on October 21, 1998 using funds drawn on the Line.

Regency Realty Corporation
Pro Forma Consolidated Statements of Operations
For the Nine Month Period Ended September 30, 1998
and the Year Ended December 31, 1997
(Unaudited)
(In thousands, except share and per share data)

	For the Nine Month Period Ended September 30, 1998				
	Historical	Midland Properties (c)	Acquisition Properties (d)	Other Adjustments	Pro Forma
Revenues:					
Minimum rent	$ 74,823	3,960	4,553	(697) (h)	82,639
Percentage rent	1,836	-	180	(8) (h)	2,008
Recoveries from tenants	17,058	549	1,113	(67) (h)	18,653
Management, leasing and brokerage fees	8,023	-	-	-	8,023
Equity in income of investments in real estate partnership	511	-	-	-	511
	102,251	4,509	5,846	(772)	111,834
Operating expenses:					
Depreciation and amortization	17,985	817 (e)	1,356 (e)	(453) (h)	19,705
Operating and maintenance	13,077	286	571	(122) (h)	13,812
General and administrative	10,638	233	279	(25) (h)	11,125
Real estate taxes	9,051	494	646	(81) (h)	10,110
	50,751	1,830	2,852	(681)	54,752
Interest expense (income):					
Interest expense	19,705	2,646 (f)	3,238 (g)	(4,830) (i)	20,759
Interest income	(1,385)	-	-	-	(1,385)
	18,320	2,646	3,238	(4,830)	19,374
Income before minority interest and gain on sale of real estate investments	33,180	33	(244)	4,739	37,708
Gain on sale of real estate investments	10,737	-	-	(9,336) (h)	1,401
Minority interest preferred unit distributions	(1,733)	-	-	(3,142) (j)	(4,875)
Minority interest	(1,769)	(1)	(6)	202	(1,574)
Net income for common stockholders	$ 40,415	32	(250)	(7,537)	32,660
Net income per share (note (l)):					
Basic	$ 1.45				$ 1.14
Diluted	$ 1.42				$ 1.13

See accompanying notes to pro forma consolidated statements of operations.

Regency Realty Corporation
Pro Forma Consolidated Statements of Operations
For the Nine Month Period Ended September 30, 1998
and the Year Ended December 31, 1997
(Unaudited)
(In thousands, except share and per share data)

	For the Year Ended December 31, 1997					
	Historical	Branch Properties (b)	Midland Properties (c)	Acquisition Properties (d)	Other Adjustments	Pro Forma
Revenues:						
Minimum rent	$ 70,103	3,596	16,482	18,873	(4,136) (h)	104,918
Percentage rent	2,151	167	-	505	-	2,823
Recoveries from tenants	17,052	751	2,240	4,412	(548) (h)	23,907
Management, leasing and brokerage fees	7,997	1,060	-	-	-	9,057
Equity in income of investments in real estate partnerships	33	-	-	-	-	33
	97,336	5,574	18,722	23,790	(4,684)	140,738
Operating expenses:						
Depreciation & amortization	16,303	972	2,994 (e)	4,856 (e)	(855) (h)	24,270
Operating and maintenance	14,212	595	1,194	2,598	(1,260) (h)	17,339
General and administrative	9,964	683	1,042	1,173	(49) (h)	12,813
Real estate taxes	8,692	404	1,635	2,650	(447) (h)	12,934
	49,171	2,654	6,865	11,277	(2,611)	67,356
Interest expense (income):						
Interest expense	19,667	1,517	10,353 (f)	13,030 (g)	(6,439) (i)	38,128
Interest income	(1,000)	(33)	-	-	-	(1,033)
	18,667	1,484	10,353	13,030	(6,439)	37,095
Income before minority interest and gain on sale of real estate investments	29,498	1,436	1,504	(517)	4,366	36,287
Gain on sale of real estate investments	451	-	-	-	(451) (h)	-
Minority interest preferred unit distributions	-	-	-	-	(6,500) (j)	(6,500)
Minority interest	(2,547)	1,010	(38)	(27)	(142)	(1,744)
Net income for common stockholders	$ 27,402	2,446	1,466	(544)	(2,727)	28,043
Net income per share (note (l)):						
Basic	$ 1.28					$ 1.31
Diluted	$ 1.23					$ 1.22

See accompanying notes to pro forma consolidated statements of operations.

Regency Realty Corporation
Notes to Pro Forma Consolidated Statements of Operations
For the Nine Month Period Ended
September 30, 1998 and the
Year ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

(b) Reflects pro forma results of operations for the Branch Properties for the period from January 1, 1997 to March 7, 1997 (acquisition date).

(c) Reflects revenues and certain expenses for the Midland Properties for the period from January 1, 1998 to the earlier of the respective acquisition date of the property or September 30, 1998 and for the year ended December 31, 1997.

		For the period ended September 30, 1998				
Property Name	Acquisition Date	Minimum Rent	Recoveries from Tenants	Operating and Maintenance	Real Estate Taxes	General and Administrative
Garner Festival (1)	9/30/98	$ -	$ -	$ -	$ -	$ -
Windmiller Farms	7/15/98	621	97	37	77	34
Franklin Square	4/29/98	414	56	52	31	32
St. Ann Square	4/17/98	217	44	18	35	12
East Point Crossing	4/29/98	268	52	16	35	17
North Gate Plaza	4/29/98	234	33	18	27	10
Worthington Park	4/29/98	281	68	22	40	19
Beckett Commons	3/1/98	113	7	6	14	4
Cherry Grove Plaza	3/1/98	239	11	13	22	21
Bent Tree Plaza	3/1/98	137	11	7	59	8
West Chester Plaza	3/1/98	130	12	13	42	7
Brookville Plaza	3/1/98	95	5	5	8	4
Lake Shores Plaza	3/1/98	123	10	5	16	6
Evans Crossing	3/1/98	116	4	5	8	6
Statler Square	3/1/98	164	15	13	1	8
Kernersville Plaza	3/1/98	120	4	8	8	8
Maynard Crossing	3/1/98	272	38	13	15	15
Shoppes at Mason	3/1/98	116	27	15	33	6
Lake Pine Plaza	3/1/98	152	13	10	8	9
Hamilton Meadows	3/1/98	148	42	10	15	7
		$ 3,960	$ 549	$ 286	$ 494	$ 233

		For the year ended December 31, 1997				
Property Name	Acquisition Date	Minimum Rent	Recoveries from Tenants	Operating and Maintenance	Real Estate Taxes	General and Administrative
Garner Festival (1)	9/30/98	$ -	$ -	$ -	$ -	$ -
Windmiller Farms	7/15/98	1,157	181	69	143	64
Franklin Square	4/29/98	1,270	171	158	94	98
St. Ann Square	4/17/98	741	149	60	119	42
East Point Crossing	4/29/98	821	159	50	107	51
North Gate Plaza	4/29/98	718	100	56	84	32
Worthington Park	4/29/98	862	208	67	124	59
Beckett Commons	3/1/98	687	140	38	83	47
Cherry Grove Plaza	3/1/98	1,445	175	85	131	105
Bent Tree Plaza	3/1/98	786	130	64	59	48
West Chester Plaza	3/1/98	807	70	72	84	45
Brookville Plaza	3/1/98	571	42	34	50	30
Lake Shores Plaza	3/1/98	759	156	55	96	32
Evans Crossing	3/1/98	613	84	34	50	33
Statler Square	3/1/98	913	76	43	54	60
Kernersville Plaza	3/1/98	605	58	29	51	33
Maynard Crossing	3/1/98	1,367	133	78	95	104
Shoppes at Mason	3/1/98	644	56	61	65	38
Lake Pine Plaza	3/1/98	827	93	54	51	46
Hamilton Meadows	3/1/98	889	59	87	95	75
		$ 16,482	$ 2,240	$ 1,194	$ 1,635	$ 1,042

(1) The property was under development until the date of acquisition, thus there are no revenues and expenses to be recorded in the statement of operations.

Regency Realty Corporation
Notes to Pro Forma Consolidated Statements of Operations
For the Nine Month Period Ended
September 30, 1998 and the
Year ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

(d) Reflects revenues and certain expenses for the Acquisition Properties for the period from January 1, 1998 to the earlier of the respective acquisition date of the property or September 30, 1998 and for the year ended December 31, 1997.

For the period ended September 30, 1998

Property Name	Acquisition Date	Minimum Rent	Percentage Rent	Recoveries from Tenants	Operating and Maintenance	Real Estate Taxes	General and Administrative
Delk Spectrum	1/14/98	$ 48	$ -	$ 5	$ 2	$ 3	$ 2
Bloomingdale Square	2/11/98	214	6	53	25	24	21
Silverlake	6/3/98	346	-	60	36	36	18
Highland Square	6/17/98	516	51	86	46	79	60
Shoppes @104	6/19/98	620	-	133	72	79	28
Fleming Island	6/30/98	348	-	289	39	194	36
Pike Creek	8/4/98	1,172	116	108	135	83	47
Hinsdale Lake Commons	10/21/98	1,289	7	379	216	148	67
		$ 4,553	$ 180	$ 1,113	$ 571	$ 646	$ 279

For the year ended December 31, 1997

Property Name	Acquisition Date	Minimum Rent	Percentage Rent	Recoveries from Tenants	Operating and Maintenance	Real Estate Taxes	General and Administrative
Oakley Plaza	3/14/97	$ 142	$ -	$ 14	$ 13	$ 13	$ 8
Mariner's Village	3/25/97	185	6	37	45	33	7
Carmel Commons	3/28/97	297	11	63	38	35	22
Mainstreet Square	4/15/97	193	-	34	42	30	15
East Port Plaza	4/25/97	543	-	107	96	65	33
Hyde Park Plaza	6/6/97	1,702	118	339	144	265	84
Rivermont Station	6/30/97	642	-	124	65	56	34
Lovejoy Station	6/30/97	306	-	63	36	29	9
Tamiami Trails	7/10/97	508	-	163	124	66	30
Garden Square	9/19/97	671	-	232	144	99	50
Kingsdale	10/10/97	1,334	-	300	325	221	75
Boynton Lakes Plaza	12/1/97	1,159	-	391	267	250	80
Pinetree Plaza	12/23/97	279	-	51	50	37	21
Delk Spectrum	1/14/98	1,355	10	145	57	88	46
Bloomingdale Square	2/11/98	1,863	43	459	215	209	184
Silverlake	6/3/98	819	-	142	85	85	43
Highland Square	6/17/98	1,122	111	187	99	171	130
Shoppes @104	6/19/98	1,332	-	285	154	170	60
Fleming Island	6/30/98	698	-	581	79	388	72
Pike Creek	8/4/98	1,980	196	182	228	140	80
Hinsdale Lake Commons	10/21/98	1,743	10	513	292	200	90
		$ 18,873	$ 505	$ 4,412	$ 2,598	$ 2,650	$ 1,173

Regency Realty Corporation
Notes to Pro Forma Consolidated Statements of Operations
For the Nine Month Period Ended
September 30, 1998 and the
Year ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

(e) Depreciation expense is based on the estimated useful life of the properties acquired. For properties under construction, depreciation expense is calculated from the date the property is placed in service through the end of the period. In addition, the nine month period ended September 30, 1998 and year ended December 31, 1997 calculations reflect depreciation expense on the properties from January 1, 1997 to the earlier of the respective acquisition date of the property or September 30, 1998.

Property Name	Building and Improvements	Year Building Built/Renovated	Useful Life	Depreciation Adjustment
	For the period ended September 30, 1998			
Delk Spectrum	$ 10,417	1991	34	$ 11
Bloomingdale Square	13,189	1987	30	51
Silverlake Shopping Center	7,584	1988	31	103
Highland Square	9,049	1960	20	208
Shoppes @104	6,439	1990	33	91
Fleming Island	4,773	1994	37	64
Pike Creek	18,082	1981	24	446
Hinsdale Lake Commons	14,976	1986	29	382
Acquisition Properties pro forma depreciation adjustment				$ 1,356
Midland Properties	$ 151,636	Ranging from 1986 to 1996	Ranging from 29 to 40	$ 817

Property Name	Building and Improvements	Year Building Built/Renovated	Useful Life	Depreciation Adjustment
	For the year ended December 31, 1997			
Oakley Plaza	$ 6,428	1988	31	$ 41
Mariner's Village	5,979	1986	29	47
Carmel Commons	9,335	1979	22	101
Mainstreet Square	4,581	1988	31	43
Hyde Park Plaza	33,734	1995	38	382
East Port Plaza	8,179	1991	34	76
Rivermont Station	9,548	1996	39	121
Lovejoy Station	5,560	1995	38	73
Tamiami Trails	7,598	1987	30	133
Garden Square	7,151	1991	34	151
Kingsdale	10,023	1997	27	288
Boynton Lakes Plaza	9,618	1993	36	244
Pinetree Plaza	3,057	1982	25	120
Delk Spectrum	10,417	1991	34	306
Bloomingdale Square	13,189	1987	30	440
Silverlake Shopping Center	7,584	1988	31	245
Highlands Square	9,049	1960	20	452
Shoppes @104	6,439	1990	33	195
Fleming Island	4,773	1994	37	129
Pike Creek	18,082	1981	24	753
Hinsdale Lake Commons	14,976	1986	29	516
Acquisition Properties pro forma depreciation adjustment				$ 4,856
Midland Properties	151,636	Ranging from 1986 to 1996	Ranging from 29 to 40	$ 2,994

Regency Realty Corporation
Notes to Pro Forma Consolidated Statements of Operations
For the Nine Month Period Ended
September 30, 1998 and the
Year ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

(f) To reflect interest expense on the Line required to complete the acquisition of the Midland Properties at the interest rate afforded the Company at September 30, 1998 (6.525%) and the assumption of $97.0 million of debt. For properties under construction, interest expense is calculated from the date the property is placed in service through the end of the period.

Pro forma interest adjustment for the nine month period ended September 30, 1998	$ 2,646
Pro forma interest adjustment for the year ended December 31, 1997	$ 10,353

(g) To reflect interest expense on the Line required to complete the acquisition of the Acquisition Properties at the interest rate afforded the Company at September 30, 1998 (6.525%). The nine month period ended September 30, 1998 and year ended December 31, 1997 calculation reflects interest expense on the properties from January 1, 1997 to the respective acquisition date of the property.

Pro forma interest adjustment for the nine-month period ended September 30, 1998	$ 3,238
Pro forma interest adjustment for the year ended December 31, 1997	$ 13,030

(h) In December, 1997, the Company sold one office building for $2.6 million and recognized a gain on the sale of $451,000. During the first quarter of 1998, the Company sold three office buildings and a parcel of land for $26.7 million, and recognized a gain on the sale of $9.3 million. The adjustments to the pro forma statements of operations reflect the reversal of the revenues and expenses from the office buildings generated during 1997 and 1998, including the gains on the sale of the office buildings as if the sales had been completed on January 1, 1997. The Company believes that excluding the results of operations and gains related to the office buildings sold is necessary for an understanding of the continuing operations of the Company.

(i) To reflect (i) interest expense and loan cost amortization on the $100 million debt offering offset by (ii) the reduction of interest expense on the Line and mortgage loans from the proceeds of the debt offering, the issuance of the preferred units and the proceeds from the sale of the office buildings referred to in note (h).

Pro forma interest adjustment for the nine-month period ended September 30, 1998	$ (4,830)
Pro forma interest adjustment for the year ended December 31, 1997	$ (6,439)

(j) To reflect the distribution on the offering of preferred units at an assumed annual rate of 8.125% for the nine-month period ended September 30, 1998 and year ended December 31, 1997.

Regency Realty Corporation
Notes to Pro Forma Consolidated Statements of Operations
For the Nine Month Period Ended
September 30, 1998 and the
Year ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

(k) The following summarizes the calculation of basic and diluted earnings per unit for the nine-month period ended September 30, 1998 and the year ended December 31, 1997:

	For the Nine Months Ended September 30, 1998	For the year Ended December 31, 1997
Basic Earnings Per Share (EPS) Calculation:		
Weighted average common shares outstanding	25,045	17,424
Net income for common stockholders	$ 32,660	28,043
Less: dividends paid on Class B common stock	4,033	5,140
Net income for Basic EPS	$ 28,627	22,903
Basic EPS	$ 1.14	1.31
Net income for Basic EPS	28,627	22,903
Add: minority interest of exchangeable partnership units	1,379	1,214
Net income for Diluted EPS	30,006	24,117
Diluted Earnings Per Share (EPS) Calculation:		
Weighted average common shares outstanding for Basic EPS	25,045	17,424
Exchangeable operating partnership units	1,193	1,243
Incremental units to be issued under common stock options using the Treasury method	-	80
Contingent units or shares for the acquisition of real estate	418	955
Total Diluted Shares	26,656	19,702
Diluted EPS	$ 1.13	1.22

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

Item 10. Material contracts

10.1 Indenture dated as of July 20, 1998 among Regency Centers, L.P., the Guarantors named therein (including the Company) and First Union National Bank, as trustees, is incorporated by reference to Exhibit 10.2 to Regency Centers, L.P.'s Registration Statement on Form 10 (registration no. 0-24763).

10.2 The Company's Guarantee of Regency Centers, L.P.'s 7-1/8% Notes due 2005 is included in the Indenture referenced in Exhibit 10.1 above and is incorporated herein by reference to Exhibit 10.2 to Regency Centers, L.P.'s Registration Statement on Form 10 (registration no.
0-24763).

Reports on Form 8-K:

A report on Form 8-K was filed on October 7, 1998 reporting under Item 5. Acquisition of Pike Creek Shopping Center to include audited Statement of Revenues and Certain Expenses as of December 31, 1997, as well as, pro forma condensed consolidated financial statements of operations for the six months ended June 30, 1998 and the year ended December 31, 1997.

27. Financial Data Schedule

September 30, 1998
Restated September 30, 1997

SIGNATURE

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

Date: November 16, 1998 REGENCY REALTY CORPORATION

By: /s/ J. Christian Leavitt
Vice President, Treasurer
and Secretary

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY
REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED 9/30/98

0000910606
REGENCY REALTY CORPORATION
1

9-MOS
DEC-31-1998
SEP-30-1998
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18,658,711
2,093,924
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551,812,157
1,173,036,860
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102,250,811
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1.42

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY
REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED 9/30/97

0000910606
REGENCY REALTY CORPORATION
1

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SEP-30-1997
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