

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) September 7, 2001

Wells Real Estate Investment Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

0-25739

58-2328421

(Commission File Number)

(IRS Employer Identification No.)

6200 The Corners Parkway, Suite 250, Norcross, Georgia 30092

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (770) 449-7800

(Former name or former address, if changed since last report)

Item 2. Acquisition of Assets

The IKON Buildings

Purchase of the IKON Buildings. On September 7, 2001, Wells Operating

Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of Wells Real Estate Investment, Inc. (Wells REIT), purchased two one-story office buildings with approximately 157,790 rentable square feet located at 810 & 820 Gears Road, Harris County, Houston, Texas (IKON Buildings). Wells OP purchased these buildings from SV Reserve, L.P. pursuant to that certain Agreement for the Purchase and Sale of Property between SV Reserve, L.P. and Wells OP. SV Reserve, L.P. is not in any way affiliated with Wells REIT or Wells Capital, Inc., our Advisor.

The purchase price for the IKON Buildings was \$20,650,000. Wells OP incurred acquisition expenses in connection with the purchase of the IKON Buildings, including commissions, attorneys' fees, recording fees, structural report and environmental report fees, and other closing costs, of approximately \$132,525.

An independent appraisal of the IKON Buildings was prepared by Gary Brown &

Associates, Inc., real estate appraisers, as of August 30, 2001, pursuant to which the market value of the real property containing the leased fee interest subject to the leases described below was estimated to be \$20,750,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the IKON Buildings will continue operating at a stabilized level with IKON Office Solutions, Inc, a Ohio corporation (IKON), occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the IKON Buildings were satisfactory.

Description of the IKON Buildings and Site. The IKON Buildings, which were -----
 completed in September 2000, are two one-story office buildings containing approximately 157,790 rentable square feet (78,895 square feet for each building) located on a 15.69 acre tract of land. The buildings are constructed using a steel frame with steel trusses and a reinforced concrete foundation. The exterior walls are made of primarily concrete masonry with concrete tilt wall panels with slightly recessed reflective blue-tinted windows. The interior walls consist of floated and painted gypsum board. In addition, the lighted parking lot contains approximately 785 parking spaces.

The IKON Buildings are located at 810 & 820 Gears Road in Houston, Texas, in the northern portion of Harris County approximately 12-16 miles north of Houston's central business district in the Greens Crossing development. The property is near North Freeway, which runs in a north-south direction and extends to Dallas, and North Sam Houston Parkway. In addition, the IKON Buildings are located approximately five miles from the Houston Intercontinental Airport. North Harris County contains headquarters for several U.S. and international companies and offices for several other multinational companies, including Federal Express, Continental Airlines and Paine Webber.

The IKON Lease. The entire 157,790 rentable square feet of the IKON Buildings is -----
 currently under a lease agreement with IKON. The landlord's interest in the IKON lease was assigned to Wells OP at the closing. The current term of the lease is 10 years, which commenced on May 1, 2000, and expires on April 30, 2010. IKON has the right to extend the term of this lease for two additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice.

IKON is an Ohio corporation with its world headquarters located in Malvern, Pennsylvania. IKON provides business communication products such as copiers and printers, as well as services such as

distributed printing, facilities management, network design, e-business development, and technology training. IKON's customers include various sized businesses, professional firms, and government agencies. IKON distributes products manufactured by companies such as Microsoft, IBM, Canon, Novell, and Hewlett-Packard. With approximately 39,000 employees and approximately 900 locations worldwide, IKON has a total of over \$6.3 billion in assets. For the fiscal year ended September 30, 2000, IKON reported a net income of approximately \$29 million with revenues of approximately \$5.4 billion and a net worth of approximately \$1.44 billion.

The base rent payable for the remainder of the IKON lease is as follows:

-----	-----	-----
Lease Year	Annual Rent	Monthly Rent

2-5	\$2,015,767	\$167,981
6-10	\$2,228,784	\$185,732

Pursuant to the IKON lease, IKON is required to pay all taxes relating to the IKON Buildings and all operating costs incurred by the landlord in maintaining and operating the IKON Buildings, including, but not limited to, garbage and waste disposal, janitorial service and window cleaning, security, insurance, water and sewer charges, wages, salaries and employee benefits of all employees engaged in the operation, maintenance and management of the building, indoor and outdoor landscaping, utilities, repairs, replacements and general maintenance. Wells OP, as the landlord, will be responsible, for repairs related to insurable casualty and for maintaining the roof, foundation, exterior walls and windows, load bearing items and the electrical, mechanical and plumbing systems of the building, except for the HVAC system. IKON, as the tenant, is responsible for maintaining, repairing, and replacing the HVAC system. All tenant improvements or alterations costing in excess of \$50,000 must receive prior written approval from Wells OP.

Property Management Fees

Wells Management Company, Inc. (Wells Management), an affiliate of Wells REIT and our Advisor, has been retained to manage and lease the IKON Building. Wells REIT shall pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues from the IKON Building, subject to certain limitations.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements. The following financial statements of the

Registrant relating to the IKON Buildings are submitted at the end of this Current Report and are filed herewith and incorporated herein by reference:

IKON Buildings	Page

Report of Independent Accountants	F-1
Statements of Revenues Over Certain Operating Expenses for the six months ended June 30, 2001 (unaudited) and for the year ended December 31, 2000 (audited)	F-2
Notes to Statements of Revenues Over Certain Operating Expenses for the six months ended June 30, 2001 (unaudited) and for the year ended December 31, 2000 (audited)	F-3

(b) Pro Forma Financial Information. The following unaudited pro forma

financial statements of the Registrant are submitted at the end of this Current Report and are filed herewith and incorporated herein by reference:

Summary of Unaudited Pro Forma Financial Statements	F-4
Pro Forma Balance Sheet as of June 30, 2001 (unaudited)	F-5
Pro Forma Statement of Income for the year ended December 31, 2000 (unaudited)	F-7
Pro Forma Statement of Income for the six months June 30, 2001 (unaudited)	F-8

After reasonable inquiry, the Registrant is not aware of any material factors relating to the real property described in this Current Report that would cause the financial information reported herein not to be necessarily indicative of future operating results.

4

SIGNATURES

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

WELLS REAL ESTATE INVESTMENT
TRUST, INC. (Registrant)

By: /s/ Leo F. Wells, III

Leo F. Wells, III
President

Date: September 20, 2001

5

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the IKON PROPERTY for the six months ended June 30, 2001 and the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues over certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues over certain operating expenses. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the IKON Buildings after acquisition by the Wells Operating Partnership, L.P., a subsidiary of Wells Real Estate Investment Trust, Inc. The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the IKON Buildings' revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the IKON Buildings for the six months ended June 30, 2001 and the year ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
September 12, 2001

F-1

IKON BUILDINGS

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2001

AND THE YEAR ENDED DECEMBER 31, 2000

	2001 ----- (Unaudited)	2000 -----
RENTAL REVENUES	\$ 1,034,675	\$ 1,379,567
OPERATING EXPENSES, net of reimbursements	0	115,276
REVENUES OVER CERTAIN OPERATING EXPENSES	\$ 1,034,675 =====	\$ 1,264,291 =====

The accompanying notes are an integral part of these statements.

F-2

IKON BUILDINGS

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2001

AND THE YEAR ENDED DECEMBER 31, 2000

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On September 7, 2001, the Wells Operating Partnership, L.P. ("Wells OP") acquired the IKON Buildings from SV Reserve, L.P. ("SV Reserve"). Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

IKON Office Solutions, Inc. ("IKON") currently occupies the entire 157,790 rentable square feet of the two single-story office buildings comprising the IKON Buildings under a net lease agreement (the "IKON Lease"). IKON is a public entity traded on the New York Stock Exchange. SV Reserve's interest in the IKON Lease was assigned to Wells OP at the closing. The initial term of the IKON Lease commenced on May 1, 2000 and expires on April 30, 2010. IKON has the right to extend the IKON Lease for two additional periods of five years at a rate equal to the then current fair market rental rate. Under the IKON Lease, IKON is required to pay, as additional monthly rent, all operating costs, including but not limited to, water, power, heating, lighting, air conditioning and ventilation, security fees, landscaping, window cleaning, pest control, property management fees, taxes, assessments and governmental levies, insurance, amortization (together with reasonable financing charges) of capital items installed for the purpose of reducing operating expenses, as well as the cost of all supplies, wages and salaries incurred by the landlord in connection with the operations and maintenance of the premises. Wells OP will be responsible for all building repairs caused by fire, windstorm, or other insurable casualty.

Rental Revenues

Rental income is recognized on a straight-line basis over the term of the IKON Lease.

2. BASIS OF ACCOUNTING

The accompanying statements of revenues over certain operating expenses are presented on the accrual basis. These statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses, such as depreciation, interest, and management fees. Therefore, these statements are not comparable to the operations of the IKON Buildings after acquisition by Wells OP.

F-3

WELLS REAL ESTATE INVESTMENT TRUST, INC.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

JUNE 30, 2001

The following unaudited pro forma balance sheet as of June 30, 2001 has been prepared to give effect to the acquisition of the AmeriCredit Building by the Wells XIII-REIT Joint Venture (a joint venture partnership between Wells Real Estate Fund XIII, L.P. and Wells Operating Partnership, LP ("Wells OP")), and the acquisitions of the State Street Bank Building and the IKON Buildings by Wells OP as if each acquisition occurred on June 30, 2001. The Comdata Building was acquired by Wells XII-REIT Joint Venture (a joint venture partnership between Wells Real Estate Fund XII, L.P. and Wells OP) on May 15, 2001.

The following unaudited pro forma statement of income (loss) for the six months ended June 30, 2001 has been prepared to give effect to the acquisitions of the Comdata Building, the AmeriCredit Building, the State Street Bank Building, and the IKON Buildings as if the acquisitions occurred on January 1, 2000. The following unaudited pro forma statement of income (loss) for the year ended December 31, 2000 has been prepared to give effect to the acquisitions of the Comdata Building, the State Street Bank Building, and the IKON Buildings as if the acquisitions occurred on January 1, 2000. The AmeriCredit Building had no operations during 2000.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financial statements of Wells Real Estate Investment Trust, Inc.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of the Comdata Building, the AmeriCredit Building, the State Street Bank Building, and the IKON Buildings been consummated at the beginning of the periods presented.

As of June 30, 2001, the date of the accompanying pro forma balance sheet, Wells OP held cash of \$6,074,926. The additional cash used to purchase the State Street Bank Building and the IKON Buildings is reflected as purchase consideration payable in the accompanying pro forma balance sheet. This balance, including deferred project costs paid to Wells Capital, Inc. (an affiliate of Wells OP), was raised through the issuance of additional shares subsequent to June 30, 2001.

F-4

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

JUNE 30, 2001

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments			Pro Form Total
		AmeriCredit Building	State Street Bank Building	IKON Buildings	
REAL ESTATE ASSETS, at cost:					
Land	\$ 47,256,748	\$ 0	\$ 10,600,000 (d)	\$ 2,735,000 (d)	\$ 61,147,373
Buildings, less accumulated depreciation of \$15,863,470	285,964,597	0	441,667 (e) 39,159,098 (d) 1,631,629 (e)	113,958 (e) 18,047,525 (d) 751,980 (e)	345,554,829
Construction in progress	7,143,876	0	0	0	7,143,876
Total real estate assets	340,365,221	0	51,832,394	21,648,463	413,846,078
CASH AND CASH EQUIVALENTS	6,074,926	(150,000) (a)	(5,924,926) (d)	0	0
INVESTMENT IN JOINT VENTURES	60,261,895	11,343,750 (b)	0	0	71,605,645
ACCOUNTS RECEIVABLE	4,661,279	0	0	0	4,661,279
DEFERRED LEASE					

ACQUISITION COSTS	1,738,658	0	0	0	1,738,658
DEFERRED PROJECT COSTS	3,849	(3,849) (c)	0	0	0
DEFERRED OFFERING COSTS	731,574	0	0	0	731,574
DUE FROM AFFILIATES	1,242,469	0	0	0	1,242,469
PREPAID EXPENSES AND OTHER ASSETS	1,558,395	0	0	0	1,558,395
Total assets	\$ 416,638,266	\$ 11,189,901	\$ 45,907,468	\$ 21,648,463	\$ 495,384,098

F-5

LIABILITIES AND SHAREHOLDERS' EQUITY

	Pro Forma Adjustments				
	Wells Real Estate Investment Trust, Inc.	AmeriCredit Building	State Street Bank Building	IKON Buildings	Pro Forma Total
LIABILITIES:					
Accounts payable and accrued expenses	\$ 2,592,211	\$ 0	\$ 0	\$ 0	\$ 2,592,211
Notes payable	10,298,850	10,740,000 (a)	38,700,000 (d)	9,600,000 (d)	69,338,850
Dividends payable	1,071,657	0	0	0	1,071,657
Due to affiliate	1,508,539	449,901 (c)	2,073,296 (e)	865,938 (e)	4,897,674
Purchase consideration payable	0	0	5,134,172 (d)	11,182,525 (d)	16,316,697
Deferred rental income	95,418	0	0	0	95,418
Total liabilities	15,566,675	11,189,901	45,907,468	21,648,463	94,312,507
COMMITMENTS AND CONTINGENCIES					
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP					
	200,000	0	0	0	200,000
SHAREHOLDERS' EQUITY:					
Common shares, \$.01 par value; 125,000,000 shares authorized, 47,770,468 shares issued and 47,489,415 shares outstanding	477,705	0	0	0	477,705
Additional paid-in capital	403,204,416	0	0	0	403,204,416
Treasury stock, at cost, 281,053 shares	(2,810,530)	0	0	0	(2,810,530)
Total shareholders' equity	400,871,591	0	0	0	400,871,591
Total liabilities and shareholders' equity	\$ 416,638,266	\$ 11,189,901	\$ 45,907,468	\$ 21,648,463	\$ 495,384,098

- (a) Reflects Wells Real Estate Investment Trust, Inc.'s portion of the purchase price.
- (b) Reflects Wells Real Estate Investment Trust, Inc.'s contribution to the Wells XIII-REIT Joint Venture.
- (c) Reflects deferred project costs contributed to the Wells XIII-REIT Joint Venture at approximately 4.17% of the purchase price.
- (d) Reflects Wells Real Estate Investment Trust, Inc.'s purchase price for the land and the building.
- (e) Reflects deferred project costs applied to the land and building at approximately 4.17% of the purchase price.

F-6

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE YEAR ENDED DECEMBER 31, 2000

(Unaudited)

	Pro Forma Adjustments				Pro Forma Total
	Wells Real Estate Investment Trust, Inc.	Comdata Building	State Street Bank Building	IKON Buildings	
REVENUES:					
Rental income	\$20,505,000	\$ 0	\$ 2,941,354 (d)	\$1,379,567 (d)	\$24,825,921
Equity in income of joint ventures	2,293,873	930,181 (a)	0	0	3,224,054
Interest income	520,924	(19,106) (b)	(501,818) (b)	0	0
Other income	53,409	0	0	0	53,409
	23,373,206	911,075	2,439,536	1,379,567	28,103,384
EXPENSES:					
Depreciation and amortization	7,743,551	0	1,631,629 (e)	751,980 (e)	10,127,160
Interest	4,199,461	1,284,495 (c)	3,191,473 (f)	791,683 (i)	9,467,112
Operating costs, net of reimbursements	888,091	0	438,071 (g)	115,276 (g)	1,441,438
Management and leasing fees	1,309,974	0	132,361 (h)	62,081 (h)	1,504,416
General and administrative	426,680	0	0	0	426,680
Legal and accounting	240,209	0	0	0	240,209
Computer costs	12,273	0	0	0	12,273
	14,820,239	1,284,495	5,393,534	1,721,020	23,219,288
NET INCOME (LOSS)	\$ 8,552,967	\$ (373,420)	\$ (2,953,998)	\$ (341,453)	\$ 4,884,096
EARNINGS PER SHARE, basic and diluted	\$ 0.40				\$ 0.23
WEIGHTED AVERAGE SHARES, basic and diluted	21,382,418				21,382,418

- (a) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of the Wells XII-REIT Joint Venture related to the Comdata Building. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.
- (b) Represents forgone interest income related to cash utilized to purchase the Comdata Building and the State Street Bank Building.
- (c) Represents interest expense incurred on the \$15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 8.3% for the year ended December 31, 2000.
- (d) Rental income is recognized on a straight-line basis.
- (e) Depreciation expense on the building is recognized using the straight-line method and a 25-year life.
- (f) Represents interest expense on the \$38,700,000 note payable to Bank of America, N.A., which bears interest at approximately 8.3% for the year ended December 31, 2000.
- (g) Consists of nonreimbursable operating expenses.
- (h) Management and leasing fees are calculated at 4.5% of rental income.
- (i) Represents interest expense on the \$9,600,000 note payable to Bank of America, N.A., which bears interest at approximately 8.3% for the year ended December 31, 2000.

F-7

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE SIX MONTHS ENDED JUNE 30, 2001

(Unaudited)

	Pro Forma Adjustments					Pro Forma Total
	Wells Real Estate Investment Trust, Inc.	Comdata Building	AmeriCredit Building	State Street Bank Building	IKON Buildings	
REVENUES:						
Rental income	\$19,711,252	\$ 0	\$ 0	\$3,617,688 (f)	\$1,034,675 (f)	\$24,363,615
Equity in income of joint ventures	1,519,194	513,944 (a)	(98,624) (d)	0	0	1,934,514
Interest income	193,007	(6,781) (b)	(8,135) (b)	(178,091) (b)	0	0
	21,423,453	507,163	(106,759)	3,439,597	1,034,675	26,298,129
EXPENSES:						
Depreciation and amortization	6,685,716	0	0	815,815 (g)	375,990 (g)	7,877,521
Interest	2,809,373	379,761 (c)	349,157 (e)	1,258,137 (h)	312,096 (k)	5,108,524
Operating costs, net of reimbursements	1,736,928	0	0	666,818 (i)	0	2,403,746
Management and leasing fees	1,117,902	0	0	162,796 (j)	46,560 (j)	1,327,258
General and administrative	635,632	0	0	0	0	635,632
Legal and accounting	117,331	0	0	0	0	117,331
Computer costs	6,328	0	0	0	0	6,328
	13,109,210	379,761	349,157	2,903,566	734,646	17,476,340
NET INCOME (LOSS)	\$ 8,314,243	\$127,402	\$ (455,916)	\$ 536,031	\$ 300,029	\$ 8,821,789
EARNINGS PER SHARE, basic and diluted	\$ 0.22					\$ 0.23
WEIGHTED AVERAGE SHARES, basic and diluted	37,792,014					37,792,014

- (a) Reflects Wells Real Estate Investment Trust, Inc.'s equity in the income of the Wells XII-REIT Joint Venture related to the Comdata Building from January 1, 2001 through May 14, 2001. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.
- (b) Represents forgone interest income related to cash utilized to purchase the Comdata Building, the AmeriCredit Building, and the State Street Bank Building.
- (c) Represents interest expense on the \$15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 6.5% from January 1, 2001 through May 14, 2001.
- (d) Reflects Wells Real Estate Investment Trust, Inc.'s equity in the loss of the Wells XIII-REIT Joint Venture related to the AmeriCredit Building. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.
- (e) Represents interest expense on the \$10,740,000 note payable to Bank of America, N.A., which bears interest at approximately 6.5% for the six months ended June 30, 2001.
- (f) Rental income is recognized on a straight-line basis.
- (g) Depreciation expense on the building is recognized using the straight-line method and a 25-year life.
- (h) Represents interest expense on the \$38,700,000 note payable to Bank of America, N.A., which bears interest at approximately 6.5% for the six months ended June 30, 2001.
- (i) Consists of nonreimbursable operating expenses.
- (j) Management and leasing fees are calculated at 4.5% of rental income.
- (k) Represents interest expense on the \$9,600,000 note payable to Bank of America, N.A., which bears interest at approximately 6.5% for the six months ended June 30, 2001.

