

McGowan Thomas K
 Form 4
 May 23, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 McGowan Thomas K

2. Issuer Name and Ticker or Trading Symbol
 KITE REALTY GROUP TRUST
 [KRG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/19/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Executive VP & COO

C/O KITE REALTY GROUP TRUST, 39 SOUTH MERIDIAN STREET, SUITE 1100

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

INDIANAPOLIS, IN 46204

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Shares	05/19/2006		C	42,810 A	66,743	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)				
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
						Code	V	(A)	(D)		
Limited Partnership Units	<u>(1)</u>	05/19/2006		C <u>(1)</u>	42,810 <u>(2)</u>	03/31/2006		<u>(1)</u>	Common Shares	42,810	
Limited Partnership Units	<u>(3)</u>					08/16/2005		<u>(4)</u>	Common Shares	141,800	

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
McGowan Thomas K C/O KITE REALTY GROUP TRUST 39 SOUTH MERIDIAN STREET, SUITE 1100 INDIANAPOLIS, IN 46204	Executive VP & COO

Signatures

Thomas K.
McGowan

05/23/2006

 Date

**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The reporting person redeemed 42,810 units of limited partnership interest of Kite Realty Group L.P. ("Units"), of which the issuer is the general partner. Units are redeemable for an equal number of the issuer's common shares or, at the election of the issuer, cash equal to the fair market value of such shares. The issuer elected to redeem the reporting person's Units with common shares. Units have no expiration date.
- (2) Represents proportionate interest of Units previously held by limited liability company, of which reporting person was a member.
- (3) Units are redeemable for an equal number of the issuer's common shares or, at the election of the issuer, cash equal to the fair market value of such shares.
- (4) Units have no expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.