UNITED STATES
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) October 23, 2014

WASHINGTON REAL ESTATE INVESTMENT TRUST
(Exact name of registrant as specified in its charter)

MARYLAND	1-6622	53-0261100
(State of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

6110 EXECUTIVE BOULEVARD, SUITE 800, ROCKVILLE, MARYLAND 20852
(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code: (301) 984-9400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

and

Item 7.01 Regulation FD Disclosure

A press release issued by the Registrant on October 23, 2014 regarding earnings for the three and nine months ended September 30, 2014, is attached as Exhibit 99.1. Also, certain supplemental information not included in the press release is attached as Exhibit 99.2. This information is being furnished pursuant to Item 7.01 and Item 2.02 of Form 8-K. This information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any Securities Act registration statements.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit Number	Description
99.1	Press release issued October 23, 2014 regarding earnings for the three and nine months ended September 30, 2014
99.2	Certain supplemental information not included in the press release

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.

WASHINGTON REAL ESTATE INVESTMENT TRUST
(Registrant)

By: /s/ Laura M. Franklin
(Signature)

Laura M. Franklin
Executive Vice President
Accounting and Administration

October 23, 2014
(Date)

EXHIBIT INDEX

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WASHINGTON REAL ESTATE INVESTMENT TRUST

NEWS RELEASE

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October 23, 2014

WASHINGTON REAL ESTATE INVESTMENT TRUST ANNOUNCES THIRD QUARTER FINANCIAL AND OPERATING RESULTS

Company Posts Significant Same-Store NOI Growth and Occupancy Gains

Washington Real Estate Investment Trust ("Washington REIT" or the "Company") (NYSE: WRE), a leading owner and operator of commercial and multifamily properties in the Washington, DC area, reported financial and operating results today for the quarter ended September 30, 2014:

Third Quarter 2014 Highlights

- Generated Core Funds from Operations (FFO) of $0.43 per fully diluted share for the quarter, a $0.02 increase over second quarter 2014
- Achieved same-store Net Operating Income (NOI) growth of 7.1% over third quarter 2013
- Improved overall same-store physical occupancy to 93.2% from 92.6% in the second quarter 2014 and 89.4% at the beginning of the year
- Executed 43 new and renewal commercial leases totaling 263,000 square feet at an average rental rate increase of 9.9% over in-place rents for new leases and an average rental rate increase of 18.7% over in-place rents for renewal leases
- Narrowed 2014 Core FFO guidance to $1.60 - $1.63 from $1.56 - $1.64

"We are pleased with the strong momentum in same-store NOI growth and occupancy gains seen in the third quarter - which accelerated from last quarter - as a result of the continued lease-up of vacancies, improving tenant retention and progress from the operational enhancements made over the past several quarters," said Paul T. McDermott, President and Chief Executive Officer. "These solid results reflect the continued progress we have made in executing our strategy to improve the overall quality of our portfolio. In addition, our recent off-market acquisition of Spring Valley Retail Center in the affluent northwest Washington, DC submarket also demonstrates our commitment to and execution of our stated strategy focusing on higher quality, urban infill properties in areas with strong demographics. We remain confident in the actions we are taking to transform Washington REIT into a best-in-class operator of commercial real estate in the Washington, DC metro area and to position our company for long-term growth."

Financial Highlights

Core Funds from Operations (1), defined as Funds from Operations (1) (FFO) excluding acquisition expense, gains or losses on extinguishment of debt, severance expense and impairment, was $28.5 million, or $0.43 per diluted share, for the quarter ended September 30, 2014, compared to $30.6 million, or $0.46 per diluted share, for the prior year period. FFO for the quarter ended September 30, 2014 was $28.0 million, or $0.42 per diluted share, compared to $30.2 million, or $0.45 per diluted share, in the same period one year ago. Core FFO and FFO were impacted by the sale of the Medical Office Portfolio and the subsequent reinvestment of the sale proceeds.

Net income attributable to the controlling interests for the quarter ended September 30, 2014 was $3.7 million, or $0.05 per diluted share, compared to $5.8 million, or $0.09 per diluted share, in the same period one year ago.

Operating Results

The Company's overall portfolio Net Operating Income (NOI) [2] was $47.5 million for the quarter ended September 30, 2014, compared to $42.6 million in the same period one year ago and $46.7 million in the second quarter of 2014. Overall portfolio physical occupancy for the third quarter was 90.7%, compared to 88.7% in the same period one year ago and 90.1% in the second quarter of 2014.

Same-store[3] portfolio physical occupancy for the third quarter was 93.2%, compared to 89.8% in the same period one year ago and 92.6% in the second quarter of 2014. Same-store portfolio NOI for the third quarter increased 7.1% compared to the same period one year ago and rental rate growth was 0.9%.

- **Office: 55.9% of Total NOI -** Same-store NOI for the third quarter increased 9.2% compared to the same period one year ago. Rental rate growth was 1.6% while same-store physical occupancy increased 520 bps to 91.8%. Sequentially, same-store physical occupancy increased 120 bps compared to the second quarter of 2014.
- **Retail: 24.5% of Total NOI -** Same-store NOI for the second quarter increased 8.1% compared to the same period one year ago. Rental rate growth was 0.8% while same-store physical occupancy increased 300 bps to 94.4%. Sequentially, same-store physical occupancy increased 20 bps compared to the second quarter of 2014.
- **Multifamily: 19.6% of Total NOI -** Same-store NOI for the second quarter decreased 0.1% compared to the same period one year ago. Rental rates decreased 0.8% while same-store physical occupancy increased 40 bps to 94.5%. Sequentially, same-store physical occupancy increased 20 bps compared to the second quarter of 2014.

Leasing Activity

During the third quarter, Washington REIT signed commercial leases totaling 263,000 square feet, including 48,000 square feet of new leases and 215,000 square feet of renewal leases, as follows (all dollar amounts are on a per square foot basis):

	Square Feet	Weighted Average Term (in years)	Weighted Average Rental Rates	Weighted Average Rental Rate % Increase	Tenant Improvements	Leasing Commissions and Incentives
New:						
Office	37,852	7.4	$ 33.77	7.2 %	$ 39.62	$ 35.54
Retail	10,408	9.8	43.69	18.2 %	15.58	28.03
Total	48,260	7.9	35.91	9.9 %	34.43	33.92
Renewal:						
Office	44,214	7.4	$ 44.95	36.7 %	$ 13.47	$ 12.05
Retail	170,568	5.1	14.67	7.4 %	—	0.30
Total	214,782	5.6	20.90	18.7 %	2.77	2.72

Acquisition Activity

On October 1, 2014, Washington REIT acquired Spring Valley Retail Center, a 75,000 square foot retail shopping center located in northwest Washington, DC for $40.5 million. Spring Valley is Washington REIT’s fourth acquisition in 2014, representing a total cumulative investment value of approximately $300 million. The 96% leased Spring Valley Retail Center consists of five separate buildings of multi-level retail space in the 4800 block of Massachusetts Avenue located in the affluent Spring Valley neighborhood of northwest Washington, DC. The property has red brick construction and Colonial Revival style architecture, and is part of the local neighborhood retail hub located along Massachusetts Avenue.

Relocation of Corporate Headquarters to Washington, DC

On October 20, 2014, Washington REIT announced plans to relocate its corporate headquarters from Rockville, MD, to the Central Business District of Washington, DC at 1775 Eye Street. The move will commence in the fourth quarter and is expected to be completed by January 2015. Acquired by Washington REIT earlier this year, 1775 Eye Street, is an eleven-story office building with a two-level parking garage, located at the intersection of 18th and Eye Street, in northwest DC. Following the move, Washington REIT will continue to maintain a presence at its current office located at 6110 Executive Boulevard in Rockville, MD.

Earnings Guidance

Management is narrowing its 2014 Core FFO guidance from $1.56 - $1.64 to $1.60 - $1.63. The improvement in range reflects stronger than expected same-store NOI growth in the office and retail divisions.

Dividends

On September 30, 2014, Washington REIT paid a quarterly dividend of $0.30 per share.

Conference Call Information

The Conference Call for Third Quarter Earnings is scheduled for Friday, October 24, 2014 at 11:00 A.M. Eastern time. Conference Call access information is as follows:

USA Toll Free Number:	1-877-407-9205
International Toll Number:	1-201-689-8054

The instant replay of the Conference Call will be available until November 7, 2014 at 11:59 P.M. Eastern time. Instant replay access information is as follows:

USA Toll Free Number:	1-877-660-6853
International Toll Number:	1-201-612-7415
Conference ID:	13591510

The live on-demand webcast of the Conference Call will be available on the Investor section of Washington REIT's website at www.washingtonreit.com. On-line playback of the webcast will be available for two weeks following the Conference Call.

About Washington REIT

Washington REIT is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington metro region. Washington REIT owns a diversified portfolio of 55 properties, totaling approximately 7 million square feet of commercial space and 2,890 multifamily units, and land held for development. These 55 properties consist of 25 office properties, 17 retail centers and 13 multifamily properties. Washington REIT shares are publicly traded on the New York Stock Exchange (NYSE:WRE).

Note: Washington REIT's press releases and supplemental financial information are available on the company website at www.washingtonreit.com or by contacting Investor Relations at (301) 984-9400.

Certain statements in our earnings release and on our conference call are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements in this earnings release preceded by, followed by or that include the words “believe,” “expect,” “intend,” “anticipate,” “potential,” “project,” “will” and other similar expressions. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, the potential for federal government budget reductions, changes in general and local economic and real estate market conditions, the timing and pricing of lease transactions, the availability and cost of capital, fluctuations in interest rates, tenants' financial conditions, levels of competition, the effect of government regulation, the impact of newly adopted accounting principles, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2013 Form 10-K and subsequent Quarterly Reports on Form 10-Q. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

[1] Funds From Operations ("FFO") - The National Association of Real Estate Investment Trusts, Inc. ("NAREIT") defines FFO (April, 2002 White Paper) as net income (computed in accordance with generally accepted accounting principles ("GAAP")) excluding gains (or losses) associated with sales of property, impairment of depreciable real estate and real estate depreciation and amortization. FFO is a non-GAAP measure and does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. We consider FFO to be a standard supplemental measure for equity real estate investment trusts ("REITs") because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs.

Core Funds From Operations ("Core FFO") is calculated by adjusting FFO for the following items (which we believe are not indicative of the performance of Washington REIT's operating portfolio and affect the comparative measurement of Washington REIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties, (3) severance expense related to corporate reorganization and related to executive retirements or resignations and (4) property impairments not already excluded from FFO, as appropriate. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of Washington REIT's ability to incur and service debt and to distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure and may be calculated differently by other REITs.

[2] Net Operating Income ("NOI"), defined as real estate rental revenue less real estate expenses, is a non-GAAP measure. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain on sale, if any), plus interest expense, depreciation and amortization, general and administrative expenses, acquisition costs and real estate impairment. We provide NOI as a supplement to net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. It is the primary performance measure we use to assess the results of our operations at the property level.

[3] For purposes of evaluating comparative operating performance, we categorize our properties as "same-store" or "non-same-store". A same-store property is one that was owned for the entirety of the periods being evaluated and excludes properties under redevelopment or development and properties purchased or sold at any time during the periods being compared. A non-same-store property is one that was acquired, under redevelopment or development, or placed into service during either of the periods being evaluated. We define redevelopment properties as those for which we expect to spend significant development and construction costs on existing or acquired buildings pursuant to a formal plan which has a current impact on operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. Properties under redevelopment or development are included within the non-same-store properties beginning in the period during which redevelopment or development activities commence. Redevelopment and development properties are included in the same-store pool upon completion of the redevelopment or development, and the earlier of achieving 90% occupancy or two years after completion.

[4] Funds Available for Distribution ("FAD") is a non-GAAP measure. It is calculated by subtracting from FFO (1) recurring expenditures, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream and (2) straight line rents, then adding (3) non-real estate depreciation and amortization, (4) non-cash fair value interest expense and (5) amortization of restricted share compensation, then adding or subtracting the (6) amortization of lease intangibles, (7) real estate impairment and (8) non-cash gain/loss on extinguishment of debt, as appropriate. FAD is included herein, because we consider it to be a measure of a REIT's ability to incur and service debt and to distribute dividends to its shareholders. FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Physical Occupancy Levels by Same-Store Properties (i) and All Properties

	Physical Occupancy			
	Same-Store Properties		All Properties	
Segment	3rd QTR 2014	3rd QTR 2013	3rd QTR 2014	3rd QTR 2013
Multifamily	94.5%	94.1%	94.3%	94.1%
Office	91.8%	86.6%	87.1%	86.1%
Medical Office	—%	—%	—%	84.6%
Retail	94.4%	91.4%	94.4%	91.4%
Overall Portfolio	93.2%	89.8%	90.7%	88.7%

(i) Same-store properties include all stabilized properties that were owned for the entirety of the current and prior reporting periods, and exclude properties under redevelopment or development and properties purchased or sold at any time during the periods being compared. We define redevelopment properties as those for which we expect to spend significant development and construction costs on existing or acquired buildings pursuant to a formal plan which has a current impact on operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. Redevelopment and development properties are included in the same-store pool upon completion of the redevelopment or development, and the earlier of achieving 90% occupancy or two years after completion. For Q3 2014 and Q3 2013, same-store properties exclude:

Multifamily Acquisitions: The Paramount and Yale West;
Office Acquisitions: The Army Navy Club Building and 1775 Eye Street;
Office Redevelopment: 7900 Westpark Drive;
Retail Acquisitions: none.

Also excluded from same-store properties in Q3 2014 and Q3 2013 are:

Sold Properties: The Medical Office Portfolio (Woodholme Center, 6565 Arlington Boulevard, 2440 M Street, 15001 Shady Grove Road, 15005 Shady Grove Road, 19500 at Riverside Park (formerly Lansdowne Medical Office Building), 9707 Medical Center Drive, CentreMed I and II, 8301 Arlington Boulevard, Sterling Medical Office Building, Shady Grove Medical Village II, Alexandria Professional Center, Ashburn Farm Office Park I, II and III, Woodholme Medical Office Building, Woodburn Medical Park I and II, and Prosperity Medical Center I, II and III).
Retail sold property: 5740 Columbia Road (parcel of land at Gateway Overlook).

WASHINGTON REAL ESTATE INVESTMENT TRUST
FINANCIAL HIGHLIGHTS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
OPERATING RESULTS	**2014**	**2013**	**2014**	**2013**
Revenue				
Real estate rental revenue	$ 73,413	$ 65,828	$ 214,278	$ 196,303
Expenses				
Real estate expenses	25,914	23,243	77,784	69,467
Depreciation and amortization	24,354	21,168	71,508	63,328
Acquisition costs	69	148	5,047	448
General and administrative	4,523	3,850	13,780	11,717
	54,860	48,409	168,119	144,960
Other operating income				
Gain on sale of real estate	—	—	570	—
Real estate operating income	18,553	17,419	46,729	51,343
Other income (expense):				
Interest expense	(15,087)	(15,930)	(44,602)	(47,944)
Other income	192	220	634	705
	(14,895)	(15,710)	(43,968)	(47,239)
Income from continuing operations	3,658	1,709	2,761	4,104
Discontinued operations:				
Income from operations of properties sold or held for sale	—	4,131	546	11,139
Gain on sale of real estate	—	—	105,985	3,195
Income from discontinued operations	—	4,131	106,531	14,334
Net income	3,658	5,840	109,292	18,438
Less: Net loss attributable to noncontrolling interests in subsidiaries	10	—	17	—
Net income attributable to the controlling interests	$ 3,668	$ 5,840	$ 109,309	$ 18,438
Income from continuing operations attributable to the controlling interests	3,668	1,709	2,778	4,104
Continuing operations real estate depreciation and amortization	24,354	21,168	71,508	63,328
Gain on sale of real estate (classified as continuing operations)	—	—	(570)	—
Funds from continuing operations[(1)]	$ 28,022	$ 22,877	$ 73,716	$ 67,432
Income from operations of properties sold or held for sale	—	4,131	546	11,139
Discontinued operations real estate depreciation and amortization	—	3,215	—	12,161
Funds from discontinued operations	—	7,346	546	23,300
Funds from operations[(1)]	$ 28,022	$ 30,223	$ 74,262	$ 90,732
Tenant improvements	(4,882)	(3,957)	(17,751)	(13,850)
External and internal leasing commissions capitalized	(4,090)	(3,746)	(9,093)	(8,694)
Recurring capital improvements	(1,720)	(1,917)	(4,218)	(4,949)
Straight-line rents, net	(658)	(578)	(1,734)	(1,404)
Non-cash fair value interest expense	32	255	257	764
Non real estate depreciation & amortization of debt costs	994	939	2,770	2,830
Amortization of lease intangibles, net	704	129	1,620	256
Amortization and expensing of restricted share and unit compensation	1,307	1,215	3,777	3,588
Funds available for distribution[(4)]	$ 19,709	$ 22,563	$ 49,890	$ 69,273

Per share data:		Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Income from continuing operations	(Basic)	$ 0.05	$ 0.03	$ 0.04	$ 0.06
	(Diluted)	$ 0.05	$ 0.03	$ 0.04	$ 0.06
Net income	(Basic)	$ 0.05	$ 0.09	$ 1.63	$ 0.27
	(Diluted)	$ 0.05	$ 0.09	$ 1.63	$ 0.27
Funds from continuing operations	(Basic)	$ 0.42	$ 0.34	$ 1.11	$ 1.01
	(Diluted)	$ 0.42	$ 0.34	$ 1.11	$ 1.01
Funds from operations	(Basic)	$ 0.42	$ 0.45	$ 1.11	$ 1.36
	(Diluted)	$ 0.42	$ 0.45	$ 1.11	$ 1.36
Dividends paid		$ 0.3000	$ 0.3000	$ 0.9000	$ 0.9000
Weighted average shares outstanding		66,738	66,410	66,725	66,403
Fully diluted weighted average shares outstanding		66,790	66,561	66,760	66,545

WASHINGTON REAL ESTATE INVESTMENT TRUST
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	September 30, 2014 (unaudited)	December 31, 2013
Assets		
Land	$ 519,859	$ 426,575
Income producing property	1,867,752	1,675,652
	2,387,611	2,102,227
Accumulated depreciation and amortization	(620,279)	(565,342)
Net income producing property	1,767,332	1,536,885
Properties under development or held for future development	99,500	61,315
Total real estate held for investment, net	1,866,832	1,598,200
Investment in real estate held for sale, net	—	79,901
Cash and cash equivalents	8,571	130,343
Restricted cash	9,496	9,189
Rents and other receivables, net of allowance for doubtful accounts of $5,519 and $6,783, respectively	58,135	48,756
Prepaid expenses and other assets	116,345	105,004
Other assets related to properties sold or held for sale	—	4,100
Total assets	$ 2,059,379	$ 1,975,493
Liabilities		
Notes payable	$ 747,082	$ 846,703
Mortgage notes payable	413,330	294,671
Lines of credit	5,000	—
Accounts payable and other liabilities	64,153	51,742
Advance rents	12,211	13,529
Tenant security deposits	8,625	7,869
Liabilities related to properties sold or held for sale	—	1,533
Total liabilities	1,250,401	1,216,047
Equity		
Shareholders' equity		
Preferred shares; $0.01 par value; 10,000 shares authorized; no shares issued and outstanding	—	—
Shares of beneficial interest, $0.01 par value; 100,000 shares authorized; 66,663 and 66,531 shares issued and outstanding, respectively	667	665
Additional paid-in capital	1,153,344	1,151,174
Distributions in excess of net income	(347,724)	(396,880)
Total shareholders' equity	806,287	754,959
Noncontrolling interests in subsidiaries	2,691	4,487
Total equity	808,978	759,446
Total liabilities and equity	$ 2,059,379	$ 1,975,493

The following tables contain reconciliations of net income to same-store net operating income for the periods presented (in thousands):

Three Months Ended September 30, 2014	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income[3]	$ 8,090	$ 23,665	$ 11,621	$ 43,376
Add: Net operating income from non-same-store properties[3]	1,226	2,897	—	4,123
Total net operating income[2]	$ 9,316	$ 26,562	$ 11,621	$ 47,499
Add/(deduct):				
Other income				192
Acquisition costs				(69)
Interest expense				(15,087)
Depreciation and amortization				(24,354)
General and administrative expenses				(4,523)
Net income				3,658
Less: Net loss attributable to noncontrolling interests in subsidiaries				10
Net income attributable to the controlling interests				$ 3,668

Three Months Ended September 30, 2013	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income[3]	$ 8,098	$ 21,662	$ 10,754	$ 40,514
Add: Net operating income from non-same-store properties[3]	—	2,042	29	2,071
Total net operating income[2]	$ 8,098	$ 23,704	$ 10,783	$ 42,585
Add/(deduct):				
Other income				220
Acquisition costs				(148)
Interest expense				(15,930)
Depreciation and amortization				(21,168)
General and administrative expenses				(3,850)
Discontinued operations:				
Income from operations of properties sold or held for sale				4,131
Net income				5,840
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net income attributable to the controlling interests				$ 5,840

The following tables contain reconciliations of net income to same-store net operating income for the periods presented (in thousands):

Nine Months Ended September 30, 2014	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income[3]	$ 23,467	$ 68,714	$ 33,511	$ 125,692
Add: Net operating income from non-same-store properties[3]	3,501	7,275	26	10,802
Total net operating income[2]	$ 26,968	$ 75,989	$ 33,537	$ 136,494
Add/(deduct):				
Other income				634
Acquisition costs				(5,047)
Interest expense				(44,602)
Depreciation and amortization				(71,508)
General and administrative expenses				(13,780)
Gain on sale of real estate (classified as continuing operations)				570
Discontinued operations:				
Income from operations of properties sold or held for sale				546
Gain on sale of real estate				105,985
Net income				109,292
Less: Net loss attributable to noncontrolling interests in subsidiaries				17
Net income attributable to the controlling interests				$ 109,309

Nine Months Ended September 30, 2013	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income[3]	$ 23,934	$ 64,939	$ 31,665	$ 120,538
Add: Net operating income from non-same-store properties[3]	—	6,213	85	6,298
Total net operating income[2]	$ 23,934	$ 71,152	$ 31,750	$ 126,836
Add/(deduct):				
Other income				705
Acquisition costs				(448)
Interest expense				(47,944)
Depreciation and amortization				(63,328)
General and administrative expenses				(11,717)
Discontinued operations:				
Income from operations of properties sold or held for sale				11,139
Gain on sale of real estate				3,195
Net income				18,438
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net income attributable to the controlling interests				$ 18,438

The following table contains a reconciliation of net income attributable to the controlling interests to core funds from operations for the periods presented (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income attributable to the controlling interests	$ 3,668	$ 5,840	$ 109,309	$ 18,438
Add/(deduct):				
Real estate depreciation and amortization	24,354	21,168	71,508	63,328
Gain on sale of real estate (classified as continuing operations)	—	—	(570)	—
Discontinued operations:				
Gain on sale of real estate	—	—	(105,985)	(3,195)
Real estate depreciation and amortization	—	3,215	—	12,161
Funds from operations[(1)]	28,022	30,223	74,262	90,732
Add/(deduct):				
Acquisition costs	69	148	5,047	448
Severance expense	394	250	1,018	333
Core funds from operations[(1)]	$ 28,485	$ 30,621	$ 80,327	$ 91,513

		Three Months Ended September 30,		Nine Months Ended September 30,	
Per share data:		2014	2013	2014	2013
Funds from operations	(Basic)	$ 0.42	$ 0.45	$ 1.11	$ 1.36
	(Diluted)	$ 0.42	$ 0.45	$ 1.11	$ 1.36
Core FFO	(Basic)	$ 0.43	$ 0.46	$ 1.20	$ 1.37
	(Diluted)	$ 0.43	$ 0.46	$ 1.20	$ 1.37
Weighted average shares outstanding		66,738	66,410	66,725	66,403
Fully diluted weighted average shares outstanding		66,790	66,561	66,760	66,545

Washington Real Estate Investment Trust
Third Quarter 2014

Spring Valley Retail Center **Washington, DC**
Acquired October 1, 2014

Supplemental Operating and Financial Data

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Company Background and Highlights
Third Quarter 2014

Washington Real Estate Investment Trust ("Washington REIT") is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington, DC region. Washington REIT has a diversified portfolio with investments in office, retail, and multifamily properties and land for development.

Third Quarter 2014 highlights include:

- Generated Core Funds from Operations (FFO) of $0.43 per fully diluted share for the quarter, a $0.02 increase over second quarter 2014
- Achieved same-store Net Operating Income (NOI) growth of 7.1% over third quarter 2013
- Improved overall same-store physical occupancy to 93.2% from 92.6% in the second quarter 2014 and 89.4% at the beginning of the year
- Executed 43 new and renewal commercial leases totaling 263,042 square feet at an average rental rate increase of 9.9% over in-place rents for new leases and an average rental rate increase of 18.7% over in-place rents for renewal leases
- Narrowed 2014 Core FFO guidance to $1.60 - $1.63 from $1.56 - $1.64

Washington REIT signed commercial leases totaling 263,042 square feet, including 48,260 square feet of new leases and 214,782 square feet of renewal leases. New leases had an average rental rate increase of 9.9% over expiring lease rates on a GAAP basis and an average lease term of 7.9 years. Commercial tenant improvement costs were $34.43 per square foot and leasing commissions and incentives were $33.92 per square foot for new leases. Renewal leases had an average rental rate increase of 18.7% over expiring lease rates on a GAAP basis and an average lease term of 5.6 years. Commercial tenant improvement costs were $2.77 per square foot and leasing commissions and incentives were $2.72 per square foot for renewal leases.

Subsequent to the third quarter, on October 1, 2014, Washington REIT announced its off-market acquisition of Spring Valley Retail Center, a 75,265 square foot retail shopping center located in northwest Washington, DC for $40.5 million. Spring Valley is Washington REIT's fourth acquisition in 2014, representing a total cumulative investment value of approximately $300 million. The 96% leased Spring Valley Retail Center consists of five separate buildings of multi-level retail space in the 4800 block of Massachusetts Avenue located in the affluent Spring Valley neighborhood of northwest Washington, DC. The property boasts red brick construction and Colonial Revival style architecture, and is part of the local neighborhood retail hub located along Massachusetts Avenue.

As of September 30, 2014, Washington REIT owned a diversified portfolio of 54 properties totaling approximately 7 million square feet of commercial space and 2,890 residential units, and land held for development. These 54 properties consist of 25 office properties, 16 retail centers and 13 multifamily properties. Washington REIT shares are publicly traded on the New York Stock Exchange (NYSE: WRE).

Net Operating Income Contribution by Sector - Third Quarter 2014

Certain statements in our earnings release and on our conference call are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, the potential for federal government budget reductions, changes in general and local economic and real estate market conditions, the timing and pricing of lease transactions, the availability and cost of capital, fluctuations in interest rates, tenants' financial conditions, levels of competition, the effect of government regulation, the impact of newly adopted accounting principles, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2013 Form 10-K and subsequent Quarterly Reports on Form 10-Q. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Supplemental Financial and Operating Data

Table of Contents
September 30, 2014

Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended				
OPERATING RESULTS	**9/30/2014**	**6/30/2014**	**3/31/2014**	**12/31/2013**	**9/30/2013**
Real estate rental revenue	$ 73,413	$ 72,254	$ 68,611	$ 66,721	$ 65,828
Real estate expenses	(25,914)	(25,528)	(26,342)	(23,826)	(23,243)
	47,499	46,726	42,269	42,895	42,585
Real estate depreciation and amortization	(24,354)	(24,401)	(22,753)	(22,412)	(21,168)
Income from real estate	23,145	22,325	19,516	20,483	21,417
Interest expense	(15,087)	(14,985)	(14,530)	(15,629)	(15,930)
Other income	192	219	223	221	220
Acquisition costs	(69)	(1,933)	(3,045)	(817)	(148)
Gain on sale of real estate	—	570	—	—	—
Loss on extinguishment of debt	—	—	—	(2,737)	—
General and administrative	(4,523)	(4,828)	(4,429)	(5,818)	(3,850)
Income (loss) from continuing operations	3,658	1,368	(2,265)	(4,297)	1,709
Discontinued operations:					
Income from operations of properties sold or held for sale	—	—	546	4,256	4,131
(Loss) gain on sale of real estate	—	(288)	106,273	18,949	—
(Loss) income from discontinued operations	—	(288)	106,819	23,205	4,131
Net income	3,658	1,080	104,554	18,908	5,840
Less: Net loss from noncontrolling interests	10	7	—	—	—
Net income attributable to the controlling interests	$ 3,668	$ 1,087	$ 104,554	$ 18,908	$ 5,840
Per Share Data:					
Net income	$ 0.05	$ 0.02	$ 1.56	$ 0.28	$ 0.09
Fully diluted weighted average shares outstanding	66,790	66,761	66,701	66,591	66,561
Percentage of Revenues:					
Real estate expenses	35.3%	35.3%	38.4 %	35.7 %	35.3%
General and administrative	6.2%	6.7%	6.5 %	8.7 %	5.8%
Ratios:					
Adjusted EBITDA / Interest expense	2.9x	2.7x	2.5x	2.6x	2.9x
Income from continuing operations/Total real estate revenue	5.0%	1.9%	(3.3)%	(6.4)%	2.6%
Net income /Total real estate revenue	5.0%	1.5%	152.4 %	28.3 %	8.9%

Medical Office Portfolio
(In thousands)
(Unaudited)

	Three Months Ended				
Income from Medical Office Portfolio [1]:	**9/30/2014**	**6/30/2014**	**3/31/2014**	**12/31/2013**	**9/30/2013**
Real estate rental revenue	$ —	$ —	$ 892	$ 8,651	$ 12,073
Real estate expenses	—	—	(346)	(4,184)	(4,398)
	—	—	546	4,467	7,675
Real estate depreciation and amortization	—	—	—	—	(3,215)
Interest expense	—	—	—	(211)	(329)
Income from operations of Medical Office Portfolio [1]	—	—	546	4,256	4,131
(Loss) gain on sale of real estate	—	(288)	106,273	18,949	—
Income from discontinued operations	$ —	$ (288)	$ 106,819	$ 23,205	$ 4,131

	As of				
Investment in Medical Office Portfolio [1]:	**9/30/2014**	**6/30/2014**	**3/31/2014**	**12/31/2013**	**9/30/2013**
Office	$ —	$ —	$ —	$ —	$ 55,049
Medical Office	—	—	—	125,967	409,486
Total	—	—	—	125,967	464,535
Less accumulated depreciation	—	—	—	(46,066)	(118,378)
Investment in real estate sold or held for sale, net	$ —	$ —	$ —	$ 79,901	$ 346,157
Mortgage notes payable secured by Medical Office Portfolio [1]	$ —	$ —	$ —	$ —	$ 23,467

[1] Medical Office Portfolio:

Office - Woodholme Center and 6565 Arlington Boulevard

Medical Office - 2440 M Street, 15001 Shady Grove Road, 15505 Shady Grove Road, 19500 at Riverside Park (formerly Lansdowne Medical Office Building), 9707 Medical Center Drive, CentreMed I and II, 8301 Arlington Boulevard, Sterling Medical Office Building, Shady Grove Medical Village II, Alexandria Professional Center, Ashburn Farm Office Park I, II and III, Woodholme Medical Office Building, Woodburn Medical Park I and II, and Prosperity Medical Center I, II and III

Washington REIT entered into four separate contracts with a single buyer to sell all of the held for sale properties (collectively, the "Medical Office Portfolio") for a combined sales price of $500.8 million. The first two separate sale transactions of its medical office portfolio closed on November 21 and November 22, 2013 for an aggregate sales price of $307.2 million. The second two sales transactions closed on January 21, 2014 for an aggregate sales price of $193.6 million.

Consolidated Balance Sheets
(In thousands)
(Unaudited)

	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Assets					
Land	$ 519,859	$ 519,859	$ 472,056	$ 426,575	$ 418,008
Income producing property	1,867,752	1,853,982	1,784,850	1,675,652	1,624,617
	2,387,611	2,373,841	2,256,906	2,102,227	2,042,625
Accumulated depreciation and amortization	(620,279)	(600,171)	(581,644)	(565,342)	(548,549)
Net income producing property	1,767,332	1,773,670	1,675,262	1,536,885	1,494,076
Development in progress, including land held for development	99,500	83,970	68,963	61,315	55,580
Total real estate held for investment, net	1,866,832	1,857,640	1,744,225	1,598,200	1,549,656
Investment in real estate held for sale, net	—	—	—	79,901	346,157
Cash and cash equivalents	8,571	23,009	62,080	130,343	7,923
Restricted cash	9,496	11,369	107,039	9,189	7,547
Rents and other receivables, net of allowance for doubtful accounts	58,135	55,583	52,736	48,756	48,619
Prepaid expenses and other assets	116,345	112,548	109,092	105,004	110,116
Other assets related to properties sold or held for sale	—	—	—	4,100	18,337
Total assets	$ 2,059,379	$ 2,060,149	$ 2,075,172	$ 1,975,493	$ 2,088,355
Liabilities					
Notes payable	$ 747,082	$ 746,956	$ 746,830	$ 846,703	$ 846,576
Mortgage notes payable	413,330	406,975	404,359	294,671	290,838
Lines of credit	5,000	—	—	—	85,000
Accounts payable and other liabilities	64,153	59,719	56,804	51,742	57,116
Advance rents	12,211	13,172	14,688	13,529	11,749
Tenant security deposits	8,625	8,686	8,402	7,869	7,639
Liabilities related to properties sold or held for sale	—	—	—	1,533	31,275
Total liabilities	1,250,401	1,235,508	1,231,083	1,216,047	1,330,193
Equity					
Preferred shares; $0.01 par value; 10,000 shares authorized	—	—	—	—	—
Shares of beneficial interest, $0.01 par value; 100,000 shares authorized	667	666	666	665	665
Additional paid-in capital	1,153,344	1,152,647	1,151,353	1,151,174	1,148,837
Distributions in excess of net income	(347,724)	(331,373)	(312,417)	(396,880)	(395,816)
Total shareholders' equity	806,287	821,940	839,602	754,959	753,686
Noncontrolling interests in subsidiaries	2,691	2,701	4,487	4,487	4,476
Total equity	808,978	824,641	844,089	759,446	758,162
Total liabilities and equity	$ 2,059,379	$ 2,060,149	$ 2,075,172	$ 1,975,493	$ 2,088,355
Total Debt / Total Market Capitalization	0.41:1	0.40:1	0.42:1	0.42:1	0.43:1

Funds from Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended				
	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Funds from operations[1]					
Net income	$ 3,668	$ 1,087	$ 104,554	$ 18,908	$ 5,840
Real estate depreciation and amortization	24,354	24,401	22,753	22,412	21,168
Gain on sale of real estate (classified as continuing operations)	—	(570)	—	—	—
Discontinued operations:					
Loss (gain) on sale of real estate	—	288	(106,273)	(18,949)	—
Real estate depreciation and amortization	—	—	—	—	3,215
Funds from operations (FFO)	28,022	25,206	21,034	22,371	30,223
Loss on extinguishment of debt	—	—	—	2,737	—
Real estate impairment	—	—	—	92	—
Severance expense	394	576	48	2,157	250
Acquisition costs	69	1,933	3,045	817	148
Core FFO [1]	$ 28,485	$ 27,715	$ 24,127	$ 28,174	$ 30,621
Allocation to participating securities[2]	(44)	(17)	(295)	(44)	(109)
FFO per share - basic	$ 0.42	$ 0.38	$ 0.31	$ 0.34	$ 0.45
FFO per share - fully diluted	$ 0.42	$ 0.38	$ 0.31	$ 0.34	$ 0.45
Core FFO per share - fully diluted	$ 0.43	$ 0.41	$ 0.36	$ 0.42	$ 0.46
Common dividend per share	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Average shares - basic	66,738	66,732	66,701	66,591	66,410
Average shares - fully diluted (for FFO and FAD)	66,790	66,761	66,750	66,634	66,561

(1) See "Supplemental Definitions" on page 31 of this supplemental for the definitions of FFO and Core FFO.

(2) Adjustment to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS.

Funds Available for Distribution
(In thousands, except per share data)
(Unaudited)

	Three Months Ended				
	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Funds available for distribution[1]					
FFO	$ 28,022	$ 25,206	$ 21,034	$ 22,371	$ 30,223
Non-cash loss on extinguishment of debt	—	—	—	88	—
Tenant improvements	(4,882)	(7,970)	(4,899)	(7,717)	(3,957)
Leasing commissions and incentives	(4,090)	(3,363)	(1,640)	(6,083)	(3,746)
Recurring capital improvements	(1,720)	(1,610)	(888)	(1,953)	(1,917)
Straight-line rent, net	(658)	(723)	(353)	(353)	(578)
Non-cash fair value interest expense	32	30	195	256	255
Non-real estate depreciation and amortization	994	904	872	906	939
Amortization of lease intangibles, net	704	677	239	219	129
Amortization and expensing of restricted share and unit compensation	1,307	1,429	1,041	2,623	1,215
Real estate impairment	—	—	—	92	—
Funds available for distribution (FAD)	19,709	14,580	15,601	10,449	22,563
Cash loss on extinguishment of debt	—	—	—	2,649	—
Non-share-based severance expense	313	517	48	1,537	—
Acquisition costs	69	1,933	3,045	817	148
Core FAD [1]	$ 20,091	$ 17,030	$ 18,694	$ 15,452	$ 22,711
Allocation to participating securities[2]	(44)	(17)	(295)	(44)	(109)
FAD per share - basic	$ 0.29	$ 0.22	$ 0.23	$ 0.16	$ 0.34
FAD per share - fully diluted	$ 0.29	$ 0.22	$ 0.23	$ 0.16	$ 0.34
Core FAD per share - fully diluted	$ 0.30	$ 0.25	$ 0.28	$ 0.23	$ 0.34
Common dividend per share	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Average shares - basic	66,738	66,732	66,701	66,591	66,410
Average shares - fully diluted (for FFO and FAD)	66,790	66,761	66,750	66,634	66,561

(1) See "Supplemental Definitions" on page 31 of this supplemental for the definitions of FAD and Core FAD.
(2) Adjustment to the numerators for FAD and Core FAD per share calculations when applying the two-class method for calculating EPS.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
(In thousands)
(Unaudited)

	Three Months Ended				
	9/30/2014	**6/30/2014**	**3/31/2014**	**12/31/2013**	**9/30/2013**
Adjusted EBITDA (1)					
Net income	$ 3,668	$ 1,087	$ 104,554	$ 18,908	$ 5,840
Add:					
Interest expense, including discontinued operations	15,087	14,985	14,530	15,840	16,259
Real estate depreciation and amortization, including discontinued operations	24,354	24,401	22,753	22,412	24,383
Income tax expense	46	71	—	(25)	6
Real estate impairment	—	—	—	92	—
Non-real estate depreciation	113	180	193	196	203
Less:					
Net gain on sale of real estate	—	(282)	(106,273)	(18,949)	—
Loss on extinguishment of debt	—	—	—	2,737	—
Adjusted EBITDA	$ 43,268	$ 40,442	$ 35,757	$ 41,211	$ 46,691

(1) Adjusted EBITDA is earnings before interest expense, taxes, depreciation, amortization, gain on sale of real estate, real estate impairment, gain/loss on extinguishment of debt and gain from non-disposal activities. We consider Adjusted EBITDA to be an appropriate supplemental performance measure because it permits investors to view income from operations without the effect of depreciation, and the cost of debt or non-operating gains and losses. Adjusted EBITDA is a non-GAAP measure.

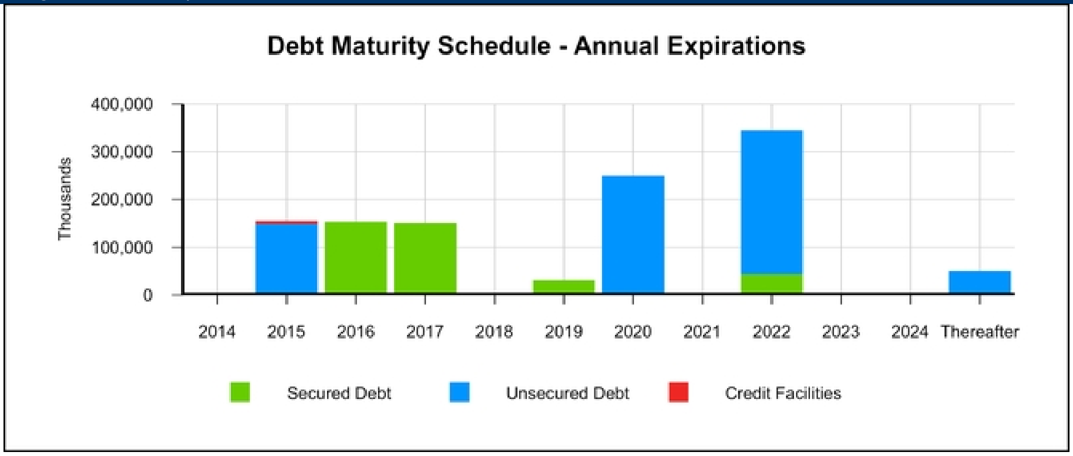
Long Term Debt Analysis
($'s in thousands)

	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Balances Outstanding					
Secured [(1)]					
Conventional fixed rate	$ 413,330	$ 406,975	$ 404,359	$ 294,671	$ 314,305
Unsecured					
Fixed rate bonds and notes	747,082	746,956	746,830	846,703	846,576
Credit facility	5,000	—	—	—	85,000
Unsecured total	752,082	746,956	746,830	846,703	931,576
Total	$ 1,165,412	$ 1,153,931	$ 1,151,189	$ 1,141,374	$ 1,245,881
Average Interest Rates					
Secured					
Conventional fixed rate	5.3%	5.3%	5.4%	6.1%	6.1%
Unsecured					
Fixed rate bonds	4.9%	4.9%	4.9%	4.9%	4.9%
Credit facilities	1.4%	—%	—%	—%	1.4%
Unsecured total	4.8%	4.9%	4.9%	4.9%	4.6%
Average	5.0%	5.0%	5.0%	5.2%	5.0%

Note: The current balances outstanding of the secured and unsecured fixed rate bonds and notes are shown net of discounts/premiums in the amount of $4.0 million and $2.9 million, respectively.

(1) For September 30, 2013, the secured balances outstanding include mortgage notes payable which have been reclassified to 'Liabilities related to properties sold or held for sale' on the consolidated balance sheets. These mortgage notes payable, secured by Woodholme Medical Center, Ashburn Farm Office Park I, Ashburn Farm Office Park III, were repaid in November 2013. See Medical Office Portfolio Supplemental page 5 for detail by quarter.

Long Term Debt Maturities
(in thousands, except average interest rates)



Future Maturities of Debt

Year	Secured Debt	Unsecured Debt	Credit Facilities	Total Debt	Avg Interest Rate
2014	$ —	$ —	$ —	$ —	
2015	—	150,000	5,000	155,000	5.3%
2016	153,200	—	—	153,200	5.3%
2017	150,903	—	—	150,903	5.9%
2018	—	—	—	—	
2019	31,280	—	—	31,280	5.4%
2020	—	250,000	—	250,000	5.1%
2021	—	—	—	—	
2022	44,517	300,000	—	344,517	4.0%
2023	—	—	—	—	
2024	—	—	—	—	
Thereafter	—	50,000	—	50,000	7.4%
Scheduled principal payments	$ 379,900	$ 750,000	$ 5,000	$ 1,134,900	5.0%
Scheduled amortization payments	29,438	—	—	29,438	4.7%
Net discounts/premiums	3,992	(2,918)	—	1,074	
Total maturities	$ 413,330	$ 747,082	$ 5,000	$ 1,165,412	5.0%

Weighted average maturity =5.2 years

Debt Covenant Compliance

	Unsecured Notes Payable		Unsecured Line of Credit #1 ($100.0 million)		Unsecured Line of Credit #2 ($400.0 million)	
	Quarter Ended September 30, 2014	Covenant	Quarter Ended September 30, 2014	Covenant	Quarter Ended September 30, 2014	Covenant
% of Total Indebtedness to Total Assets[1]	42.4%	≤ 65.0%	N/A	N/A	N/A	N/A
Ratio of Income Available for Debt Service to Annual Debt Service	2.9	≥ 1.5	N/A	N/A	N/A	N/A
% of Secured Indebtedness to Total Assets[1]	15.0%	≤ 40.0%	N/A	N/A	N/A	N/A
Ratio of Total Unencumbered Assets[2] to Total Unsecured Indebtedness	2.8	≥ 1.5	N/A	N/A	N/A	N/A
Tangible Net Worth[3]	N/A	N/A	$872.4 million	≥ $673.4 million	$873.7 million	≥ $671.9 million
% of Total Liabilities to Gross Asset Value[5]	N/A	N/A	52%	≤ 60.0%	52%	≤ 60.0%
% of Secured Indebtedness to Gross Asset Value[5]	N/A	N/A	16.7%	≤ 35.0%	16.7%	≤ 35.0%
Ratio of EBITDA[4] to Fixed Charges[6]	N/A	N/A	2.58	≥ 1.50	2.58	≥ 1.50
Ratio of Unencumbered Pool Value[7] to Unsecured Indebtedness	N/A	N/A	2.51	≥ 1.67	2.51	≥ 1.67
Ratio of Unencumbered Net Operating Income to Unsecured Interest Expense	N/A	N/A	3.57	≥ 2.00	3.57	≥ 2.00
Ratio of Investments[8] to Gross Asset Value[5]	N/A	N/A	5.1%	≤ 15.0%	5.1%	≤ 15.0%

(1) Total Assets is calculated by applying a capitalization rate of 7.50% to the EBITDA (4) from the last four consecutive quarters, excluding EBITDA from acquired, disposed, and non-stabilized development properties.

(2) Total Unencumbered Assets is calculated by applying a capitalization rate of 7.50% to the EBITDA (4) from unencumbered properties from the last four consecutive quarters, excluding EBITDA from acquired, disposed, and non-stabilized development properties.

(3) Tangible Net Worth is defined as shareholders equity less accumulated depreciation at the commitment start date plus current accumulated depreciation.

(4) EBITDA is defined in our debt covenants as earnings before minority interests, depreciation, amortization, interest expense, income tax expense, and extraordinary and nonrecurring gains and losses.

(5) Gross Asset Value is calculated by applying a capitalization rate to the annualized EBITDA (4) from the most recently ended quarter, excluding EBITDA from disposed properties and current quarter acquisitions. To this amount, the purchase price of current quarter acquisitions, cash and cash equivalents and development in progress is added.

(6) Fixed Charges consist of interest expense, principal payments, ground lease payments and replacement reserve payments.

(7) Unencumbered Pool Value is calculated by applying a capitalization rate of 7.50% to the net operating income from unencumbered properties owned for the entire quarter. To this we add the purchase price of unencumbered acquisitions during the current quarter.

(8) Investments is defined as development in progress, including land held for development, plus budgeted development costs upon commencement of construction, if any.

Capital Analysis
(In thousands, except per share amounts)

	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Market Data					
Shares Outstanding	66,663	66,636	66,630	66,531	66,500
Market Price per Share	$ 25.38	$ 25.98	$ 23.88	$ 23.36	$ 25.27
Equity Market Capitalization	$ 1,691,907	$ 1,731,203	$ 1,591,124	$ 1,554,164	$ 1,680,455
Total Debt	$ 1,165,412	$ 1,153,931	$ 1,151,189	$ 1,141,374	$ 1,245,881
Total Market Capitalization	$ 2,857,319	$ 2,885,134	$ 2,742,313	$ 2,695,538	$ 2,926,336
Total Debt to Market Capitalization	0.41:1	0.40:1	0.42:1	0.42:1	0.43:1
Earnings to Fixed Charges[1]	1.2x	1.1x	0.8x	0.7x	1.1x
Debt Service Coverage Ratio[2]	2.7x	2.5x	2.3x	2.5x	2.7x
Dividend Data					
Total Dividends Paid	$ 20,019	$ 20,042	$ 20,092	$ 19,972	$ 20,033
Common Dividend per Share	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Payout Ratio (Core FFO per share basis)	69.8%	73.2%	83.3%	71.4%	65.2%
Payout Ratio (Core FAD per share basis)	100.0%	120.0%	107.1%	130.4%	88.2%
Payout Ratio (FAD per share basis)	103.4%	136.4%	130.4%	187.5%	88.2%

(1) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations attributable to the controlling interests plus fixed charges, less capitalized interest. Fixed charges consist of interest expense, including amortized costs of debt issuance, plus interest costs capitalized.

(2) Debt service coverage ratio is computed by dividing Adjusted EBITDA (see page 9) by interest expense and principal amortization.

Same-Store Portfolio Net Operating Income (NOI) Growth & Rental Growth
2014 vs. 2013

	Three Months Ended September 30, 2014	2013	% Change	Rental Rate Growth
Cash Basis:				
Multifamily	$ 8,084	$ 7,975	1.4 %	(0.8)%
Office	23,517	21,441	9.7 %	1.2 %
Retail	11,558	10,655	8.5 %	0.7 %
Overall Same-Store Portfolio [(1)]	$ 43,159	$ 40,071	7.7 %	0.7 %
GAAP Basis:				
Multifamily	$ 8,090	$ 8,098	(0.1)%	(0.8)%
Office	23,665	21,662	9.2 %	1.6 %
Retail	11,621	10,754	8.1 %	0.8 %
Overall Same-Store Portfolio [(1)]	$ 43,376	$ 40,514	7.1 %	0.9 %

(1) Non same-store properties were:

Acquisitions:

Multifamily - The Paramount and Yale West

Office - The Army Navy Club Building and 1775 Eye Street

Redevelopment:

Office - 7900 Westpark Drive

Sold properties classified as continuing operations:

Retail - 5740 Columbia Road (parcel of land at Gateway Overlook)

Sold properties classified as discontinued operations:

Medical Office/Office - The Medical Office Portfolio (see Supplemental Definitions on page 31 for list of properties included in the Medical Office Portfolio)

Same-Store Portfolio Net Operating Income (NOI) Detail
(In thousands)

	Three Months Ended September 30, 2014				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	$ 13,618	$ 36,917	$ 14,825	$ —	$ 65,360
Non same-store - acquired and in development[1]	2,342	5,711	—	—	8,053
Total	15,960	42,628	14,825	—	73,413
Real estate expenses					
Same-store portfolio	5,528	13,252	3,204	—	21,984
Non same-store - acquired and in development[1]	1,116	2,814	—	—	3,930
Total	6,644	16,066	3,204	—	25,914
Net Operating Income (NOI)					
Same-store portfolio	8,090	23,665	11,621	—	43,376
Non same-store - acquired and in development[1]	1,226	2,897	—	—	4,123
Total	$ 9,316	$ 26,562	$ 11,621	$ —	$ 47,499
Same-store portfolio NOI GAAP basis (from above)	$ 8,090	$ 23,665	$ 11,621	$ —	$ 43,376
Straight-line revenue, net for same-store properties	3	(423)	(71)	—	(491)
FAS 141 Min Rent	(9)	4	(57)	—	(62)
Amortization of lease intangibles for same-store properties	—	271	65	—	336
Same-store portfolio NOI, cash basis	$ 8,084	$ 23,517	$ 11,558	$ —	$ 43,159
Reconciliation of NOI to net income					
Total NOI	$ 9,316	$ 26,562	$ 11,621	$ —	$ 47,499
Depreciation and amortization	(4,252)	(16,655)	(3,200)	(247)	(24,354)
General and administrative	—	—	—	(4,523)	(4,523)
Interest expense	(2,492)	(3,024)	(247)	(9,324)	(15,087)
Other income	—	—	—	192	192
Acquisition costs	—	—	—	(69)	(69)
Gain on sale of real estate	—	—	—	—	—
Discontinued operations:					
Loss on sale of real estate[1]	—	—	—	—	—
Net income (loss)	2,572	6,883	8,174	(13,971)	3,658
Net loss attributable to noncontrolling interests	—	—	—	10	10
Net income (loss) attributable to the controlling interests	$ 2,572	$ 6,883	$ 8,174	$ (13,961)	$ 3,668

[1] For a list of non-same-store properties and held for sale and sold properties, see page 14 of this Supplemental.

Same-Store Net Operating Income (NOI) Detail
(In thousands)

	Three Months Ended September 30, 2013					
	Multifamily	Office	Medical Office	Retail	Corporate and Other	Total
Real estate rental revenue						
Same-store portfolio	$ 13,617	$ 34,903	$ —	$ 13,957	$ —	$ 62,477
Non same-store - acquired and in development[1]	—	3,318	—	33	—	3,351
Total	13,617	38,221	—	13,990	—	65,828
Real estate expenses						
Same-store portfolio	5,519	13,241	—	3,203	—	21,963
Non same-store - acquired and in development[1]	—	1,276	—	4	—	1,280
Total	5,519	14,517	—	3,207	—	23,243
Net Operating Income (NOI)						
Same-store portfolio	8,098	21,662	—	10,754	—	40,514
Non same-store - acquired and in development[1]	—	2,042	—	29	—	2,071
Total	$ 8,098	$ 23,704	$ —	$ 10,783	$ —	$ 42,585
Same-store portfolio NOI GAAP basis (from above)	$ 8,098	$ 21,662	$ —	$ 10,754	$ —	$ 40,514
Straight-line revenue, net for same-store properties	(2)	(422)	—	(96)	—	(520)
FAS 141 Min Rent	(121)	56	—	(68)	—	(133)
Amortization of lease intangibles for same-store properties	—	145	—	65	—	210
Same-store portfolio NOI, cash basis	$ 7,975	$ 21,441	$ —	$ 10,655	$ —	$ 40,071
Reconciliation of NOI to net income						
Total NOI	$ 8,098	$ 23,704	$ —	$ 10,783	$ —	$ 42,585
Depreciation and amortization	(2,987)	(14,556)	—	(3,352)	(273)	(21,168)
General and administrative	—	—	—	—	(3,850)	(3,850)
Interest expense	(1,703)	(2,582)	—	(266)	(11,379)	(15,930)
Other income	—	—	—	—	220	220
Acquisition costs	—	—	—	—	(148)	(148)
Discontinued operations:						
Income from operations of properties sold or held for sale[1]	—	311	3,820	—	—	4,131
Net income (loss)	3,408	6,877	3,820	7,165	(15,430)	5,840
Net income attributable to noncontrolling interests	—	—	—	—	—	—
Net income (loss) attributable to the controlling interests	$ 3,408	$ 6,877	$ 3,820	$ 7,165	$ (15,430)	$ 5,840

[1] For a list of non-same-store properties and held for sale and sold properties, see page14 of this Supplemental.

Net Operating Income (NOI) by Region

Washington REIT Portfolio
Maryland/Virginia/DC

	Percentage of GAAP NOI	
	Q3 2014	YTD 2014
DC		
Multifamily	5.5%	5.2%
Office	25.8%	24.7%
Retail	0.9%	0.8%
	32.2%	**30.7%**
Maryland		
Multifamily	2.7%	2.7%
Office	11.1%	10.7%
Retail	16.9%	17.0%
	30.7%	**30.4%**
Virginia		
Multifamily	11.4%	11.9%
Office	19.0%	20.2%
Retail	6.7%	6.8%
	37.1%	**38.9%**
Total Portfolio	**100.0%**	**100.0%**

Washington REIT Portfolio
Inside & Outside the Beltway

	Percentage of GAAP NOI	
	Q3 2014	YTD 2014
Inside the Beltway		
Multifamily	18.6%	18.8%
Office	36.3%	35.6%
Retail	7.5%	7.6%
	62.4%	**62.0%**
Outside the Beltway		
Multifamily	1.0%	1.0%
Office	19.6%	20.1%
Retail	17.0%	16.9%
	37.6%	**38.0%**
Total Portfolio	**100.0%**	**100.0%**

Same-Store and Overall Physical Occupancy Levels by Sector

Sector	Physical Occupancy - Same-Store Properties [1]				
	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Multifamily	94.5%	94.3%	92.7%	92.6%	94.1%
Office	91.8%	90.6%	86.9%	86.6%	86.6%
Retail	94.4%	94.2%	93.6%	91.3%	91.4%
Overall Portfolio	**93.2%**	**92.6%**	**90.2%**	**89.4%**	**89.8%**

Sector	Physical Occupancy - All Properties				
	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Multifamily	94.3%	93.7%	92.2%	92.1%	94.1%
Office	87.1%	86.2%	83.7%	85.7%	86.1%
Medical Office	—%	—%	—%	89.0%	84.6%
Retail	94.4%	94.2%	93.6%	91.3%	91.4%
Overall Portfolio	**90.7%**	**90.1%**	**88.4%**	**88.8%**	**88.7%**

(1) Non same-store properties were:
- Acquisitions:
  - Multifamily - The Paramount and Yale West
  - Office - The Army Navy Club Building and 1775 Eye Street
- Redevelopment:
  - Office - 7900 Westpark Drive
- Sold properties classified as continuing operations:
  - Retail - 5740 Columbia Road (parcel of land at Gateway Overlook)
- Sold properties classified as discontinued operations:
  - Medical Office/Office - The Medical Office Portfolio (see Supplemental Definitions on page31 for list of properties included in the Medical Office Portfolio)

Same-Store Portfolio and Overall Economic Occupancy Levels by Sector

Sector	Economic Occupancy - Same-Store Properties[1]				
	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Multifamily	94.7%	93.4%	91.9%	92.4%	93.5%
Office	92.5%	90.4%	88.2%	87.3%	87.5%
Retail	94.9%	93.9%	92.9%	91.9%	91.5%
Overall Portfolio	**93.5%**	**91.8%**	**90.0%**	**89.4%**	**89.6%**

Sector	Economic Occupancy - All Properties				
	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Multifamily	94.1%	92.6%	91.6%	92.2%	93.5%
Office	87.0%	86.0%	85.4%	86.0%	86.7%
Medical Office	—%	—%	87.4%	89.4%	87.1%
Retail	94.9%	93.9%	92.9%	92.0%	91.5%
Overall Portfolio	**90.0%**	**88.9%**	**88.2%**	**88.6%**	**88.7%**

[1] Non same-store properties were:

Acquisitions:

Multifamily - The Paramount and Yale West

Office - The Army Navy Club Building and 1775 Eye Street

Redevelopment:

Office - 7900 Westpark Drive

Sold properties classified as continuing operations:

Retail - 5740 Columbia Road (parcel of land at Gateway Overlook)

Sold properties classified as discontinued operations:

Medical Office/Office - The Medical Office Portfolio (see Supplemental Definitions on page 31 for list of properties included in the Medical Office Portfolio)

Acquisition and Disposition Summary
September 30, 2014
($ in thousands)

Acquisition Summary

		Acquisition Date	# of Units	Square Feet	9/30/2014 Leased Percentage	Investment	Mortgage Assumed
Yale West	Washington, DC	February 21, 2014	216		94%	$ 73,000	$ 48,221
The Army Navy Club Building	Washington, DC	March 26, 2014		108,000	100%	79,000	52,640
1775 Eye Street, NW	Washington, DC	May 1, 2014		185,000	71%	104,500	N/A
				293,000		$ 256,500	$ 100,861

Disposition Summary

	Disposition Date	Property Type	Square Feet	Contract Sales Price	GAAP Gain
Medical Office Portfolio Transactions III & IV	January 21, 2014	Medical Office	427,011	$ 193,561	$ 105,985
5740 Columbia Road *	May 2, 2014	Retail	3,000	1,600	570
			430,011	$ 195,161	$ 106,555

* 5740 Columbia Road is a parcel of land with a 7-11 store that had been part of our Gateway Overlook retail property in Columbia, Maryland.

Development/Re-Development Summary

September 30, 2014

($ in thousands)

Property and Location	Total Rentable Square Feet or # of Units	Anticipated Total Cost	Cost to Date	Draws on Construction Loan to Date	Anticipated Construction Completion Date	Leased %
Development Summary						
The Maxwell Apartments, Arlington, VA (formerly 650 N. Glebe Road)	163 units & 2,200 square feet retail	$ 49,904	$ 40,981	$ 21,434	fourth quarter 2014	N/A
Re-Development Summary						
7900 Westpark Drive, McLean, VA	527,000 square feet	$ 35,000	$ 16,347	N/A	first quarter 2015	58.5%

Commercial Leasing Summary - New Leases

	3rd Quarter 2014	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013
Gross Leasing Square Footage					
Office Buildings	37,852	69,367	43,243	144,675	147,194
Medical Office Buildings	—	—	—	3,826	5,804
Retail Centers	10,408	32,191	29,527	22,631	49,396
Total	48,260	101,558	72,770	171,132	202,394
Weighted Average Term (yrs)					
Office Buildings	7.4	5.8	7.3	7.2	11.1
Medical Office Buildings	0.0	0.0	0.0	10.3	5.2
Retail Centers	9.8	10.2	9.6	7.8	9.8
Total	7.9	7.1	8.2	7.3	10.6

Rental Rate Increases:	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH
Rate on expiring leases										
Office Buildings	$ 31.50	$ 32.62	$ 31.14	$ 32.00	$ 28.65	$ 30.53	$ 31.31	$ 32.29	$ 32.66	$ 33.28
Medical Office Buildings	—	—	—	—	—	—	29.56	31.13	39.59	41.07
Retail Centers	36.96	37.29	22.59	23.39	25.27	25.96	26.23	26.91	19.86	20.06
Total	$ 32.68	$ 33.63	$ 28.24	$ 29.08	$ 27.28	$ 28.68	$ 30.42	$ 31.35	$ 29.73	$ 30.28
Rate on new leases										
Office Buildings	$ 33.77	$ 30.68	$ 35.71	$ 33.40	$ 32.53	$ 29.86	$ 33.78	$ 31.31	$ 33.06	$ 28.74
Medical Office Buildings	—	—	—	—	—	—	34.78	30.43	40.01	37.73
Retail Centers	43.69	38.76	22.07	21.36	30.77	27.66	27.74	26.04	23.45	22.02
Total	$ 35.91	$ 32.43	$ 30.79	$ 29.04	$ 31.81	$ 28.97	$ 32.78	$ 30.39	$ 30.91	$ 27.36
Percentage Increase										
Office Buildings	7.2%	(5.9)%	14.7 %	4.4 %	13.6%	(2.2)%	7.9%	(3.0)%	1.2%	(13.7)%
Medical Office Buildings	—%	— %	— %	— %	—%	— %	17.7%	(2.3)%	1.1%	(8.1)%
Retail Centers	18.2%	4.0 %	(2.3)%	(8.7)%	21.7%	6.5 %	5.8%	(3.2)%	18.1%	9.8 %
Total	9.9%	(3.6)%	9.0 %	(0.1)%	16.6%	1.0 %	7.8%	(3.1)%	4.0%	(9.7)%

	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft
Tenant Improvements										
Office Buildings	$ 1,499,573	$ 39.62	$ 2,330,006	$ 33.59	$ 1,955,769	$ 45.23	$ 6,189,544	$ 42.78	$ 8,230,229	$ 55.91
Medical Office Buildings	—	—	—	—	—	—	63,587	16.62	101,630	17.51
Retail Centers	162,180	15.58	1,616,068	50.20	38,923	1.32	215,340	9.52	751,184	15.21
Subtotal	$ 1,661,753	$ 34.43	$ 3,946,074	$ 38.86	$ 1,994,692	$ 27.41	$ 6,468,471	$ 37.80	$ 9,083,043	$ 44.88
Leasing Commissions and Incentives										
Office Buildings	$ 1,345,301	$ 35.54	$ 1,512,211	$ 21.80	$ 1,207,798	$ 27.93	$ 4,353,688	$ 30.09	$ 6,781,162	$ 46.07
Medical Office Buildings	—	—	—	—	—	—	91,665	23.96	99,930	17.22
Retail Centers	291,731	28.03	300,287	9.33	388,220	13.15	180,197	7.96	517,974	10.49
Subtotal	$ 1,637,032	$ 33.92	$ 1,812,498	$ 17.84	$ 1,596,018	$ 21.93	$ 4,625,550	$ 27.03	$ 7,399,066	$ 36.56
Tenant Improvements and Leasing Commissions and Incentives										
Office Buildings	$ 2,844,874	$ 75.16	$ 3,842,217	$ 55.39	$ 3,163,567	$ 73.16	$ 10,543,232	$ 72.87	$ 15,011,391	$ 101.98
Medical Office Buildings	—	—	—	—	—	—	155,252	40.58	201,560	34.73
Retail Centers	453,911	43.61	1,916,355	59.53	427,143	14.47	395,537	17.48	1,269,158	25.70
Total	$ 3,298,785	$ 68.35	$ 5,758,572	$ 56.70	$ 3,590,710	$ 49.34	$ 11,094,021	$ 64.83	$ 16,482,109	$ 81.44

Commercial Leasing Summary - Renewal Leases

	3rd Quarter 2014	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013
Gross Leasing Square Footage					
Office Buildings	44,214	109,686	60,108	201,109	140,894
Medical Office Buildings	—	—	—	12,232	24,471
Retail Centers	170,568	10,645	27,100	38,995	112,736
Total	214,782	120,331	87,208	252,336	278,101
Weighted Average Term (yrs)					
Office Buildings	7.4	4.8	7.0	5.8	6.6
Medical Office Buildings	0.0	0.0	0.0	7.8	3.0
Retail Centers	5.1	4.3	3.3	4.0	7.3
Total	5.6	4.8	5.8	5.7	6.5

Rental Rate Increases:	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH
Rate on expiring leases										
Office Buildings	$ 32.89	$ 35.79	$ 33.89	$ 35.42	$ 32.71	$ 35.31	$ 30.12	$ 33.00	$ 38.86	$ 40.53
Medical Office Buildings	—	—	—	—	—	—	32.36	34.47	27.49	29.14
Retail Centers	13.65	13.86	45.12	47.17	27.54	30.66	17.51	18.22	20.07	20.74
Total	$ 17.61	$ 18.37	$ 34.89	$ 36.46	$ 31.26	$ 34.05	$ 28.28	$ 30.79	$ 30.25	$ 31.50
Rate on new leases										
Office Buildings	$ 44.95	$ 41.11	$ 36.12	$ 34.39	$ 37.02	$ 34.06	$ 35.30	$ 32.88	$ 42.04	$ 39.42
Medical Office Buildings	—	—	—	—	—	—	36.28	33.16	29.48	28.82
Retail Centers	14.67	14.47	50.91	48.51	30.92	30.08	17.91	17.62	24.43	22.89
Total	$ 20.90	$ 19.95	$ 37.42	$ 35.64	$ 35.36	$ 33.03	$ 32.66	$ 30.53	$ 33.80	$ 31.79
Percentage Increase										
Office Buildings	36.7 %	14.9 %	6.6 %	(2.9)%	13.2 %	(3.6)%	17.2 %	(0.4)%	8.2 %	(2.7)%
Medical Office Buildings	— %	— %	— %	— %	— %	— %	12.1 %	(3.8)%	7.2 %	(1.1)%
Retail Centers	7.4 %	4.4 %	12.8 %	2.8 %	12.3 %	(1.9)%	2.3 %	(3.3)%	21.7 %	10.4 %
Total	18.7 %	8.6 %	7.3 %	(2.3)%	13.1 %	(3.0)%	15.5 %	(0.8)%	11.7 %	0.9 %

	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft	Total Dollars	$ per Sq Ft
Tenant Improvements										
Office Buildings	$ 595,757	$ 13.47	$ 1,897,016	$ 17.29	$ 896,712	$ 14.92	$ 7,573,493	$ 37.66	$ 2,788,460	$ 19.79
Medical Office Buildings	—	—	—	—	—	—	183,219	14.98	114,252	4.67
Retail Centers	—	—	—	—	—	—	—	—	28,600	0.25
Subtotal	$ 595,757	$ 2.77	$ 1,897,016	$ 15.76	$ 896,712	$ 10.28	$ 7,756,712	$ 30.74	$ 2,931,312	$ 10.54
Leasing Commissions and Incentives										
Office Buildings	$ 532,789	$ 12.05	$ 1,517,271	$ 13.83	$ 1,318,800	$ 21.94	$ 4,065,164	$ 20.21	$ 2,747,403	$ 19.50
Medical Office Buildings	—	—	—	—	—	—	143,190	11.71	68,973	2.82
Retail Centers	51,270	0.30	27,278	2.56	32,300	1.19	32,725	0.84	176,809	1.57
Subtotal	$ 584,059	$ 2.72	$ 1,544,549	$ 12.84	$ 1,351,100	$ 15.49	$ 4,241,079	$ 16.80	$ 2,993,185	$ 10.77
Tenant Improvements and Leasing Commissions and Incentives										
Office Buildings	$ 1,128,546	$ 25.52	$ 3,414,287	$ 31.12	$ 2,215,512	$ 36.86	$ 11,638,657	$ 57.87	$ 5,535,863	$ 39.29
Medical Office Buildings	—	—	—	—	—	—	326,409	26.69	183,225	7.49
Retail Centers	51,270	0.30	27,278	2.56	32,300	1.19	32,725	0.84	205,409	1.82
Total	$ 1,179,816	$ 5.49	$ 3,441,565	$ 28.60	$ 2,247,812	$ 25.77	$ 11,997,791	$ 47.54	$ 5,924,497	$ 21.31

10 Largest Tenants - Based on Annualized Commercial Income
September 30, 2014

Tenant	Number of Buildings	Weighted Average Remaining Lease Term in Months	Percentage of Aggregate Portfolio Annualized Commercial Income	Aggregate Rentable Square Feet	Percentage of Aggregate Occupied Square Feet
World Bank	1	27	5.86 %	210,354	3.33 %
Advisory Board Company	2	56	3.80 %	199,762	3.17 %
Booz Allen Hamilton, Inc.	1	16	2.73 %	222,989	3.53 %
Engility Corporation	1	36	2.56 %	134,126	2.13 %
Squire Patton Boggs (USA) LLP	1	31	2.43 %	110,566	1.75 %
Epstein, Becker & Green, P.C.	1	27	1.32 %	53,427	0.85 %
General Services Administration	3	50	1.28 %	52,282	0.83 %
ManTech International Corporation	2	4	1.28 %	68,846	1.09 %
George Washington University	2	23	1.26 %	69,775	1.11 %
Alexandria City School Board	1	176	1.19 %	87,883	1.39 %
Total/Weighted Average		42	23.71 %	1,210,010	19.18 %

Industry Diversification

September 30, 2014

Industry Classification (NAICS)	Annualized Base Rental Revenue	Percentage of Aggregate Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Square Feet
Professional, Scientific, and Technical Services	$ 73,481,207	38.35%	2,166,004	34.50%
Credit Intermediation and Related Activities	17,726,575	9.25%	329,708	5.25%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	11,867,200	6.19%	323,559	5.15%
Food Services and Drinking Places	8,613,122	4.49%	280,253	4.46%
Educational Services	8,159,897	4.26%	270,371	4.31%
Food and Beverage Stores	6,607,170	3.45%	337,197	5.37%
Executive, Legislative, and Other General Government Support	5,120,019	2.67%	140,038	2.23%
Ambulatory Health Care Services	4,715,160	2.46%	153,659	2.45%
Health and Personal Care Stores	3,775,163	1.97%	105,325	1.68%
Broadcasting (except Internet)	3,585,870	1.87%	90,810	1.45%
Personal and Laundry Services	3,538,018	1.85%	113,077	1.80%
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	3,371,384	1.76%	90,875	1.45%
Sporting Goods, Hobby, Book, and Music Stores	3,316,339	1.73%	201,827	3.21%
Furniture and Home Furnishings Stores	3,210,790	1.68%	162,075	2.58%
Electronics and Appliance Stores	3,064,042	1.60%	169,094	2.69%
Miscellaneous Store Retailers	3,054,143	1.59%	166,012	2.64%
Publishing Industries (except Internet)	2,757,725	1.44%	79,659	1.27%
Administrative and Support Services	2,727,105	1.42%	72,770	1.16%
Clothing and Clothing Accessories Stores	2,696,091	1.41%	136,426	2.17%
Amusement, Gambling, and Recreation Industries	2,315,421	1.21%	123,998	1.98%
General Merchandise Stores	1,875,727	0.98%	221,502	3.53%
Nursing and Residential Care Facilities	1,837,275	0.96%	66,810	1.06%
Telecommunications	1,572,136	0.82%	41,334	0.66%
Real Estate	1,519,469	0.79%	46,519	0.74%
Merchant Wholesalers, Durable Goods	1,076,948	0.56%	32,539	0.52%
Social Assistance	957,882	0.50%	40,408	0.64%

Industry Diversification (continued)
September 30, 2014

Industry Classification (NAICS)	Annualized Base Rental Revenue	Percentage of Aggregate Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Square Feet
Chemical Manufacturing	918,560	0.48%	20,036	0.32%
Building Material and Garden Equipment and Supplies Dealers	912,397	0.48%	29,470	0.47%
Insurance Carriers and Related Activities	799,607	0.42%	25,182	0.40%
Construction of Buildings	634,840	0.33%	21,127	0.34%
Motor Vehicle and Parts Dealers	601,815	0.31%	36,832	0.59%
Transportation Equipment Manufacturing	542,685	0.28%	19,864	0.32%
Repair and Maintenance	510,500	0.27%	22,449	0.36%
Other	4,158,947	2.17%	141,256	2.25%
Total	$ 191,621,229	100.00%	$ 6,278,065	100.00%

Lease Expirations
September 30, 2014

Year	Number of Leases	Rentable Square Feet	Percent of Rentable Square Feet	Annualized Rent *	Average Rental Rate	Percent of Annualized Rent *
Office:						
2014	18	109,625	2.62%	$ 3,839,822	$ 35.03	2.32%
2015	99	600,898	14.37%	24,150,255	40.19	14.61%
2016	106	641,172	15.34%	21,624,977	33.73	13.08%
2017	82	518,609	12.41%	20,377,458	39.29	12.33%
2018	74	361,418	8.65%	13,943,350	38.58	8.43%
2019 and thereafter	245	1,948,580	46.61%	81,390,656	41.77	49.23%
	624	4,180,302	100.00%	$ 165,326,518	39.55	100.00%
Retail:						
2014	7	19,459	0.86%	$ 522,609	26.86	0.99%
2015	52	237,702	10.49%	5,765,978	24.26	10.96%
2016	29	211,131	9.32%	4,567,236	21.63	8.68%
2017	48	260,028	11.48%	7,112,938	27.35	13.52%
2018	41	366,907	16.20%	5,569,710	15.18	10.59%
2019 and thereafter	133	1,170,208	51.65%	29,075,831	24.85	55.26%
	310	2,265,435	100.00%	$ 52,614,302	23.22	100.00%
Total:						
2014	25	129,084	2.00%	4,362,431	33.80	2.00%
2015	151	838,600	13.01%	29,916,233	35.67	13.73%
2016	135	852,303	13.22%	26,192,213	30.73	12.02%
2017	130	778,637	12.08%	27,490,396	35.31	12.61%
2018	115	728,325	11.30%	19,513,060	26.79	8.95%
2019 and thereafter	378	3,118,788	48.39%	110,466,487	35.42	50.69%
	934	6,445,737	100.00%	$ 217,940,820	33.81	100.00%

** Annualized Rent is equal to the rental rate effective at lease expiration (cash basis) multiplied by 12.*

Schedule of Properties
September 30, 2014

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET
Office Buildings				
1901 Pennsylvania Avenue	Washington, DC	1977	1960	101,000
51 Monroe Street	Rockville, MD	1979	1975	221,000
515 King Street	Alexandria, VA	1992	1966	75,000
6110 Executive Boulevard	Rockville, MD	1995	1971	201,000
1220 19th Street	Washington, DC	1995	1976	104,000
1600 Wilson Boulevard	Arlington, VA	1997	1973	166,000
7900 Westpark Drive	McLean, VA	1997	1972/1986/1999	527,000
600 Jefferson Plaza	Rockville, MD	1999	1985	113,000
Wayne Plaza	Silver Spring, MD	2000	1970	97,000
Courthouse Square	Alexandria, VA	2000	1979	115,000
One Central Plaza	Rockville, MD	2001	1974	267,000
1776 G Street	Washington, DC	2003	1979	263,000
West Gude Drive	Rockville, MD	2006	1984/1986/1988	275,000
Monument II	Herndon, VA	2007	2000	208,000
2000 M Street	Washington, DC	2007	1971	230,000
2445 M Street	Washington, DC	2008	1986	290,000
925 Corporate Drive	Stafford, VA	2010	2007	133,000
1000 Corporate Drive	Stafford, VA	2010	2009	136,000
1140 Connecticut Avenue	Washington, DC	2011	1966	183,000
1227 25th Street	Washington, DC	2011	1988	135,000
Braddock Metro Center	Alexandria, VA	2011	1985	349,000
John Marshall II	Tysons Corner, VA	2011	1996/2010	223,000
Fairgate at Ballston	Arlington, VA	2012	1988	142,000
The Army Navy Club Building	Washington, DC	2014	1912/1987	108,000
1775 Eye Street, NW	Washington, DC	2014	1964	185,000
Subtotal				4,847,000

Schedule of Properties (continued)
September 30, 2014

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET
Retail Centers				
Takoma Park	Takoma Park, MD	1963	1962	51,000
Westminster	Westminster, MD	1972	1969	150,000
Concord Centre	Springfield, VA	1973	1960	76,000
Wheaton Park	Wheaton, MD	1977	1967	74,000
Bradlee Shopping Center	Alexandria, VA	1984	1955	171,000
Chevy Chase Metro Plaza	Washington, DC	1985	1975	49,000
Montgomery Village Center	Gaithersburg, MD	1992	1969	197,000
Shoppes of Foxchase	Alexandria, VA	1994	1960/2006	134,000
Frederick County Square	Frederick, MD	1995	1973	227,000
800 S. Washington Street	Alexandria, VA	1998/2003	1955/1959	47,000
Centre at Hagerstown	Hagerstown, MD	2002	2000	332,000
Frederick Crossing	Frederick, MD	2005	1999/2003	295,000
Randolph Shopping Center	Rockville, MD	2006	1972	82,000
Montrose Shopping Center	Rockville, MD	2006	1970	145,000
Gateway Overlook	Columbia, MD	2010	2007	220,000
Olney Village Center	Olney, MD	2011	1979/2003	199,000
Subtotal				2,449,000

Schedule of Properties (continued)
September 30, 2014

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET [1]
Multifamily Buildings / # units				
3801 Connecticut Avenue / 307	Washington, DC	1963	1951	179,000
Roosevelt Towers / 191	Falls Church, VA	1965	1964	170,000
Country Club Towers / 227	Arlington, VA	1969	1965	159,000
Park Adams / 200	Arlington, VA	1969	1959	173,000
Munson Hill Towers / 279	Falls Church, VA	1970	1963	258,000
The Ashby at McLean / 256	McLean, VA	1996	1982	274,000
Walker House Apartments / 212	Gaithersburg, MD	1996	1971/2003	157,000
Bethesda Hill Apartments / 195	Bethesda, MD	1997	1986	225,000
Bennett Park / 224	Arlington, VA	2007	2007	214,000
Clayborne / 74	Alexandria, VA	2008	2008	60,000
Kenmore Apartments / 374	Washington, DC	2008	1948	268,000
The Paramount / 135	Arlington, VA	2013	1984	141,000
Yale West / 216	Washington, DC	2014	2011	173,000
Subtotal (2,890 units)				2,451,000
TOTAL				**9,747,000**

[1] Multifamily buildings are presented in gross square feet.

Adjusted EBITDA (a non-GAAP measure) is earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt and gain/loss from non-disposal activities.

Annualized base rent ("ABR") is calculated as monthly base rent (cash basis) per the lease, as of the reporting period, multiplied by 12.

Debt service coverage ratio is computed by dividing earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt and gain/loss from non-disposal activities by interest expense (including interest expense from discontinued operations) and principal amortization.

Debt to total market capitalization is total debt divided by the sum of total debt plus the market value of shares outstanding at the end of the period.

Earnings to fixed charges ratio is computed by dividing earnings attributable to the controlling interest by fixed charges. For this purpose, earnings consist of income from continuing operations (or net income if there are no discontinued operations) plus fixed charges, less capitalized interest. Fixed charges consist of interest expense (excluding interest expense from discontinued operations), including amortized costs of debt issuance, plus interest costs capitalized.

Economic occupancy is calculated as actual real estate rental revenue recognized for the period indicated as a percentage of gross potential real estate rental revenue for that period. We determine gross potential real estate rental revenue by valuing occupied units or square footage at contract rates and vacant units or square footage at market rates for comparable properties. We do not consider percentage rents and expense reimbursements in computing economic occupancy percentages.

Funds from operations ("FFO") is defined by The National Association of Real Estate Investment Trusts, Inc. ("NAREIT") in an April, 2002 White Paper as net income (computed in accordance with generally accepted accounting principles ("GAAP")) excluding gains (or losses) associated with sales of property and impairment of depreciable real estate, plus real estate depreciation and amortization. We consider FFO to be a standard supplemental measure for equity real estate investment trusts ("REITs") because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs. FFO is a non-GAAP measure.

Core Funds From Operations ("Core FFO") is calculated by adjusting FFO for the following items (which we believe are not indicative of the performance of Washington REIT's operating portfolio and affect the comparative measurement of Washington REIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties, (3) severance expense related to corporate reorganization and related to executive retirements or resignations and (4) property impairments not already excluded from FFO, as appropriate. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of Washington REIT's ability to incur and service debt, and distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Funds Available for Distribution ("FAD") is calculated by subtracting from FFO (1) recurring expenditures, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream and (2) straight line rents, then adding (3) non-real estate depreciation and amortization, (4) non-cash fair value interest expense and (5) amortization of restricted share compensation, then adding or subtracting the (6) amortization of lease intangibles , (7) real estate impairment and (8) non-cash gain/loss on extinguishment of debt, as appropriate. FAD is included herein, because we consider it to be a measure of a REIT's ability to incur and service debt and to distribute dividends to its shareholders. FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Core Funds Available for Distribution ("Core FAD") is calculated by adjusting FAD for the following items (which we believe are not indicative of the performance of Washington REIT's operating portfolio and affect the comparative measurement of Washington REIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties, (3) non-share-based severance expense related to corporate reorganization and related to executive retirements or resignations and (4) property impairments not already excluded from FAD, as appropriate. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FAD serves as a useful, supplementary measure of Washington REIT's ability to incur and service debt, and distribute dividends to its shareholders. Core FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

The Medical Office Portfolio consists of every medical property, as well as undeveloped land, 4661 Kenmore Ave, and two office properties, Woodholme Center and 6565 Arlington Boulevard. We entered into four separate purchase and sale agreements. **Transaction I of the Medical Office Portfolio** sale and purchase agreement consists of medical office properties (2440 M Street, 15001 Shady Grove Road, 15505 Shady Grove Road, 19500 at Riverside Park formerly Lansdowne Medical Office Building, 9707 Medical Center Drive, CentreMed I and II, 8301 Arlington Boulevard, Sterling Medical Office Building, Shady Grove Medical Village II, Alexandria Professional Center, Ashburn Farm Office Park I, Ashburn Farm Office Park II, Ashburn Farm Office Park III and Woodholme Medical Office Building) and two office properties (6565 Arlington Boulevard and Woodholme Center). **Transaction II of the Medical Office Portfolio** purchase and sale agreement consist of undeveloped land (4661 Kenmore Ave). **Transaction III of the Medical Office Portfolio** purchase and sale agreement consists of medical office properties (Woodburn Medical Park I and Woodburn Medical Park II). **Transaction IV of the Medical Office Portfolio** purchase and sale agreement consists of a medical office properties (Prosperity Medical Center I and II, and Prosperity Medical Center III)**.**

Physical occupancy is calculated as occupied square footage as a percentage of total square footage as of the last day of that period.

Recurring capital expenditures represent non-accretive building improvements and leasing costs required to maintain current revenues. Recurring capital expenditures do not include acquisition capital that was taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard."

Rent increases on renewals and rollovers are calculated as the difference, weighted by square feet, of the net ABR due the first month after a term commencement date and the net ABR due the last month prior to the termination date of the former tenant's term.

Same-store portfolio properties include all stabilized properties that were owned for the entirety of the current and prior reporting periods, and exclude properties under redevelopment or development and properties purchased or sold at any time during the periods being compared. We define redevelopment properties as those for which we expect to spend significant development and construction costs on existing or acquired buildings pursuant to a formal plan which has a current impact on operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. Redevelopment and development properties are included in the same-store pool upon completion of the redevelopment or development, and the earlier of achieving 90% occupancy or two years after completion.

Same-store portfolio net operating income (NOI) growth is the change in the NOI of the same-store portfolio properties from the prior reporting period to the current reporting period.