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

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): April 26, 2016

**WASHINGTON REAL ESTATE  
INVESTMENT TRUST**

(Exact name of registrant as specified in its charter)

**MARYLAND**  
(State of incorporation)

**001-06622**  
(Commission File Number)

**53-0261100**  
(IRS Employer Identification Number)

**1775 EYE STREET, NW, SUITE 1000, WASHINGTON, DC 20006**  
(Address of principal executive office) (Zip code)

**Registrant's telephone number, including area code: (202) 774-3200**

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))
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**Item 1.01 Entry into a Material Definitive Agreement.***Dispositions*

On April 26, 2016, Washington Real Estate Investment Trust ("Washington REIT") entered into two separate purchase and sale agreements with BSREP II Office Holding LLC. The two agreements, taken together, are expected to effectuate the sale of six suburban Maryland office assets, encompassing in total approximately 1.2 million net rentable square feet. The sales prices under the two agreements aggregate to \$240.0 million.

As noted above, the dispositions consist of two independent transactions, each of which is expected to close pursuant to a separate purchase and sale agreement. The projected closing dates under Purchase and Sale Agreement #1 and Purchase and Sale Agreement #2 are June 15, 2016 and September 15, 2016, respectively. The deposits under the two agreements aggregate to \$10.0 million.

The properties and purchase prices under each of the purchase and sale agreements are as follows:

**Purchase and Sale Agreement #1 (\$111.5 million):**

1. 6110 Executive Boulevard
2. 600 Jefferson Plaza
3. Wayne Plaza
4. West Gude Drive

**Purchase and Sale Agreement #2 (\$128.5 million):**

1. 51 Monroe Street
2. One Central Plaza

*Acquisition*

On April 26, 2016, Washington REIT entered into a purchase and sale agreement with AIMCO Riverside Park, L.L.C. to acquire Riverside Apartments, an apartment community in Alexandria, Virginia consisting of 1,222 units and on-site potential for development of additional units, for \$244.75 million. The projected closing date under the purchase and sale agreement is May 20, 2016 and the deposit is \$12.5 million.

The purchase and sale agreements are subject to closing conditions and other terms and conditions customary for real estate transactions. The purchase and sale agreements contain representations and warranties the parties thereto made to and solely for the benefit of each other, and such representations and warranties should not be relied upon by any other person.

The assertions embodied in those representations and warranties were made solely for the purposes of the purchase and sale agreements and are subject to important qualifications and limitations agreed to by and between the Washington REIT and the other parties thereto in connection with negotiating the purchase and sale agreements. Accordingly, security holders should not rely on the representations and warranties as accurate or complete or characterizations of the actual state of facts as of any specified date because such representations and warranties are modified in important part by the underlying disclosure schedules, are subject to a contractual standard of materiality different from that generally applicable to security holders and were used only for the purposes of conducting certain limited due diligence inquiries and allocating risks and not for establishing all material facts with respect to the matters addressed.

**Item 2.02 Results of Operations and Financial Condition****and****Item 7.01 Regulation FD Disclosure.**

A press release issued by the Registrant on April 27, 2016 regarding earnings for the three months ended March 31, 2016, 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

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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.**

(d) Exhibits

| Exhibit No. | Description  |
|-------------|--|
| 99.1        | Press release issued April 27, 2016 regarding earnings for the three months ended March 31, 2016 |
| 99.2        | Certain supplemental information not included in the press release                               |

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**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/ W. Drew Hammond

(Signature)

W. Drew Hammond  
Vice President, Chief Accounting Officer  
and Controller

April 27, 2016

(Date)

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## Exhibit Index

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|-------------|--|
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| 99.2        | Certain supplemental information not included in the press release                               |

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**April 27, 2016****WASHINGTON REAL ESTATE INVESTMENT TRUST ANNOUNCES FIRST QUARTER FINANCIAL AND OPERATING RESULTS**

*Company Posts Significant Year-over-Year NOI and FFO Growth and Announces Quarterly Dividend*

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 March 31, 2016:

**First Quarter 2016 Highlights**

- Generated Core Funds from Operations (FFO) of \$0.42 per fully diluted share for the first quarter, a 10.5% or \$0.04 increase over first quarter of 2015
- Achieved same-store Net Operating Income (NOI) growth of 2.5%, with same-store rental growth of 2.7%, over first quarter 2015
- Improved overall portfolio physical occupancy to 90.6%, 110 basis points higher than first quarter of 2015 and 40 basis points higher than fourth quarter 2015
- Executed new and renewal commercial leases totaling 265,000 square feet at an average rental rate increase of 31.9% over in-place rents for new leases and an average rental rate increase of 16.0% over in-place rents for renewal leases
- Subsequent to quarter-end, entered into contracts with an institutional buyer to sell all six of its suburban Maryland office assets for \$240 million and has one suburban Maryland multifamily asset to be placed on the market later this year
- Subsequent to quarter-end, went under contract to acquire Riverside Apartments, a 1,222 unit apartment community with potential to create value through the renovation of approximately 850 units and on-site density to develop approximately 550 additional units, for \$244.75 million
- Continues to plan to pay down approximately \$100 million of net debt this year
- Reaffirmed 2016 Core FFO guidance of \$1.70 - \$1.77 per fully diluted share and increased same-store NOI guidance to range from flat to 1%

"After a robust close to 2015, we have delivered a solid operational performance in the first quarter of 2016 and made significant progress on our asset recycling plans, which will elevate the quality of our portfolio and optimize returns for our shareholders while continuing to strengthen the balance sheet," said Paul T. McDermott, President and Chief Executive Officer. "Our strong year-over-year NOI growth reflects the strength of our operational execution as well as the fundamental stability of the Washington Metro Region, which continues to deliver impressive job growth in 2016. Additionally, we are on track to deliver another year of well-executed, strategic milestones that will continue to transform Washington REIT's portfolio and boost our ability to create value for our shareholders."

**Financial Highlights**

Core Funds from Operations<sup>(1)</sup> was \$29.1 million, or \$0.42 per diluted share, for the quarter ended March 31, 2016, compared to \$25.7 million, or \$0.38 per diluted share, for the corresponding prior year period. Further detail will be provided by management on the earnings call.

FFO for the quarter ended March 31, 2016 was \$28.4 million, or \$0.41 per diluted share, compared to \$24.4 million, or \$0.36 per diluted share, for the corresponding prior year period.

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Net income attributable to the controlling interests for the quarter ended March 31, 2016 was \$2.4 million, or \$0.03 per diluted share, compared to \$29.5 million, or \$0.43 per diluted share, for the corresponding prior year period, due primarily to the recognition of a \$30.3 million gain from the sale of Country Club Towers.

### Operating Results

The Company's overall portfolio NOI<sup>(2)</sup> was \$48.4 million for the quarter ended March 31, 2016, compared to \$45.6 million in the corresponding prior year period. Overall portfolio physical occupancy for the first quarter was at 90.6%, compared to 89.5% at the end of the first quarter last year and 90.2% at the end of the fourth quarter 2015.

Same-store<sup>(3)</sup> portfolio physical occupancy for the first quarter of 2016 was 91.7%, compared to 92.5% at March 31, 2015 and 91.6% at the end of the fourth quarter of 2015. Same-store portfolio NOI for the first quarter increased by 2.5%, compared to the corresponding prior year period.

- **Office: 55% of Total NOI** - Office properties' same-store NOI increased by 4.0%, compared to the corresponding prior year period. Rental rate growth was 3.6% while same-store physical occupancy increased 10 basis points over last year to 90.6%.
- **Retail: 23% of Total NOI** - Retail properties' same-store NOI decreased slightly by (0.3%), compared to the corresponding prior year period, primarily driven by another full-quarter impact of previously occupied space that has been re-leased with increased rents that are expected to commence in the second half of 2016. Rental rates increased 3.2% while same-store physical occupancy decreased 420 basis points over last year to 91.2%, due to the above-mentioned re-tenanted space that has not commenced yet. Retail was 94.0% leased as of March 31, 2016.
- **Multifamily: 22% of Total NOI** - Multifamily properties' same-store NOI increased by 2.1% compared to the corresponding prior year period. Rental rates were essentially flat while same-store physical occupancy increased 90 basis points over last year to 94.5%.

### Leasing Activity

During the first quarter, Washington REIT signed commercial leases totaling 265,000 square feet, including 44,000 square feet of new leases and 221,000 square feet of renewal leases, as follows (all dollar amounts are on a per square foot basis):

|          | Square Feet | Weighted Average<br>Term<br>(in years) | Weighted Average<br>Rental Rates | Weighted Average<br>Rental Rate % Increase | Tenant<br>Improvements | Leasing<br>Commissions and<br>Incentives |
|----------|-------------|--|----------------------------------|--|------------------------|--|
| New:     |             |  |                                  |  |                        |  |
| Office   | 32,000      | 7.7                                    | \$ 40.60                         | 31.4 %                                     | \$ 48.73               | \$ 38.78                                 |
| Retail   | 12,000      | 9.8                                    | 16.22                            | 35.9 %                                     | 17.26                  | 18.04                                    |
| Total    | 44,000      | 8.3                                    | 34.08                            | 31.9 %                                     | 40.31                  | 33.23                                    |
| Renewal: |             |  |                                  |  |                        |  |
| Office   | 194,000     | 7.1                                    | \$ 40.55                         | 11.0 %                                     | \$ 35.94               | \$ 38.82                                 |
| Retail   | 27,000      | 11.6                                   | 41.49                            | 69.2 %                                     | 22.99                  | 29.47                                    |
| Total    | 221,000     | 7.6                                    | 40.66                            | 16.0 %                                     | 34.34                  | 37.65                                    |

### Disposition and Acquisition Activity

Washington REIT has announced that it has entered into two separate contracts with an institutional buyer to sell all six of its suburban Maryland office buildings totaling approximately 1.2 million square feet for \$240 million dollars. Management expects the first transaction to close late in the second quarter of 2016 and the second transaction to close late in the third quarter of 2016. The Company is also under contract to sell a parcel of land at Dulles Station in Herndon, Virginia.

Washington REIT has one multifamily asset that it expects to place on the market later this year to complete its planned suburban Maryland asset sales. Additionally, it has one suburban office asset currently in the market to evaluate investor interest.

The Company has also signed a contract to acquire Riverside Apartments, an apartment community in Alexandria, Virginia consisting of 1,222 units and on-site density to develop approximately 550 additional units, for \$244.75 million. This acquisition provides a value-add opportunity to renovate approximately 850 units to generate rental growth, and a further opportunity to develop additional density in a desirable submarket with strong employment drivers.

Riverside Apartments consists of three, 15-story buildings over 28 acres of land located half a mile from Metro, near the intersection of Route 1 and the Capital Beltway and in the heart of the dynamic Huntington Metro corridor in Fairfax County, Virginia.

### Expected Debt Repayment

Washington REIT currently plans to pay down approximately \$100 million dollars of net debt in 2016.

### Earnings Guidance

Management reaffirms 2016 Core FFO guidance of \$1.70 to \$1.77 per fully diluted share and has increased same store NOI guidance to range from flat to 1%.

Washington REIT's 2016 Core FFO guidance is based on a number of factors, many of which are outside its control and all of which are subject to change. Washington REIT may change its guidance during the year as actual and anticipated results vary from these assumptions.

### 2016 Guidance Reconciliation Table

A reconciliation of projected net income attributable to the controlling interests per diluted share to projected Core FFO per diluted share for the year ending December 31, 2016 is as follows:

|   | Low     | High    |
|---|---------|---------|
| Net income attributable to the controlling interests per diluted share <sup>(a)</sup> | \$ 0.22 | \$ 0.29 |
| Real estate depreciation and amortization <sup>(b)</sup>                              | 1.50    | 1.50    |
| All other core adjustments  | (0.02)  | (0.02)  |
| Core FFO per diluted share  | \$ 1.70 | \$ 1.77 |

<sup>(a)</sup> Gains and losses from sales have not been included.

<sup>(b)</sup> Does not include any impact from acquisitions and dispositions during the year.

### Dividends

On March 31, 2016, Washington REIT paid a quarterly dividend of \$0.30 per share.

Washington REIT announced today that its Board of Trustees has declared a quarterly dividend of \$0.30 per share to be paid on June 30, 2016 to shareholders of record on June 15, 2016.



### Conference Call Information

The Conference Call for First Quarter Earnings is scheduled for Thursday, April 28, 2016 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 May 12, 2016 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: 13627552

The live on-demand webcast of the Conference Call will be available on the Investor section of Washington REIT's website at [www.washreit.com](http://www.washreit.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, equity real estate investment trust investing in income-producing properties in the greater Washington metro region. Washington REIT owns a diversified portfolio of 54 properties, totaling approximately 7 million square feet of commercial space and 3,258 multifamily 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).

Note: Washington REIT's press releases and supplemental financial information are available on the Company website at [www.washreit.com](http://www.washreit.com) or by contacting Investor Relations at (202) 774-3200.

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 risk of failure to complete contemplated acquisitions and dispositions, 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 2015 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.

<sup>(1)</sup> 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 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) expenses related to acquisition and structuring activities, (3) executive transition costs and severance expense related to corporate reorganization and related to executive retirements or resignations, (4) property impairments and gains or losses on sale not already excluded from FFO, as appropriate, and (5) relocation expense. 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.

<sup>(2)</sup> 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.

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depreciation and amortization, general and administrative expenses, acquisition costs, real estate impairment and gain or loss on extinguishment of debt. We also present NOI on a cash basis ("cash NOI") which is calculated as NOI less the impact of straight-lining of rent and amortization of market intangibles. 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 (excluding items contemplated prior to acquisition or associated with development / redevelopment of a property) 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**

| Segment           | Physical Occupancy    |                 |                 |                 |
|-------------------|-----------------------|-----------------|-----------------|-----------------|
|                   | Same-Store Properties |                 | All Properties  |                 |
|                   | 1st QTR<br>2016       | 1st QTR<br>2015 | 1st QTR<br>2016 | 1st QTR<br>2015 |
| Multifamily       | 94.5 %                | 93.6 %          | 94.5 %          | 89.5 %          |
| Office            | 90.6 %                | 90.5 %          | 87.8 %          | 86.7 %          |
| Retail            | 91.2 %                | 95.4 %          | 91.2 %          | 94.7 %          |
| Overall Portfolio | 91.7 %                | 92.5 %          | 90.6 %          | 89.5 %          |

(i) Same-store properties include all stabilized properties that were owned for the entirety of the current reporting period and the prior year, 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 Q1 2016 and Q1 2015, same-store properties exclude:

Multifamily Acquisition: The Wellington;

Multifamily Development: The Maxwell;

Office Redevelopment: Silverline Center and The Army Navy Club Building.

Also excluded from same-store properties in Q1 2016 and Q1 2015 are:

Sold Property:

Multifamily: Country Club Towers and Munson Hill Towers.

Retail: Montgomery Village Center.

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

| OPERATING RESULTS   | Three Months Ended March 31, |           |
|---|------------------------------|-----------|
|   | 2016                         | 2015      |
| Revenue   |                              |           |
| Real estate rental revenue  | \$ 77,137                    | \$ 74,856 |
| Expenses  |                              |           |
| Real estate expenses  | 28,734                       | 29,208    |
| Depreciation and amortization   | 26,038                       | 25,275    |
| Acquisition costs   | 154                          | 16        |
| General and administrative  | 5,511                        | 6,080     |
|   | 60,437                       | 60,579    |
| Other operating income  |                              |           |
| Gain on sale of real estate   | —                            | 30,277    |
| Real estate operating income  | 16,700                       | 44,554    |
| Other income (expense):   |                              |           |
| Interest expense  | (14,360)                     | (15,348)  |
| Other income  | 39                           | 192       |
|   | (14,321)                     | (15,156)  |
| Net income  | 2,379                        | 29,398    |
| Less: Net loss attributable to noncontrolling interests in subsidiaries | 5                            | 108       |
| Net income attributable to the controlling interests                    | \$ 2,384                     | \$ 29,506 |
| Net income  | 2,379                        | 29,398    |
| Depreciation and amortization   | 26,038                       | 25,275    |
| Gain on sale of depreciable real estate                                 | —                            | (30,277)  |
| NAREIT funds from operations <sup>(1)</sup>                             | \$ 28,417                    | \$ 24,396 |
| Tenant improvements and incentives                                      | (1,543)                      | (3,730)   |
| External and internal leasing commissions capitalized                   | (1,015)                      | (1,606)   |
| Recurring capital improvements  | (908)                        | (689)     |
| Straight-line rents, net  | (683)                        | 407       |
| Non-cash fair value interest expense                                    | 42                           | 35        |
| Non real estate depreciation & amortization of debt costs               | 950                          | 938       |
| Amortization of lease intangibles, net                                  | 943                          | 768       |
| Amortization and expensing of restricted share and unit compensation    | 1,519                        | 1,826     |
| Funds available for distribution <sup>(4)</sup>                         | \$ 27,722                    | \$ 22,345 |

| Per share data:   | Three Months Ended March 31, |         |
|---|------------------------------|---------|
|   | 2016                         | 2015    |
| Net income  | (Basic) \$ 0.03              | \$ 0.43 |
|   | (Diluted) \$ 0.03            | \$ 0.43 |
| NAREIT funds from operations                                | (Basic) \$ 0.41              | \$ 0.36 |
|   | (Diluted) \$ 0.41            | \$ 0.36 |
| Dividends paid  | \$ 0.30                      | \$ 0.30 |
| Weighted average shares outstanding                         | 68,301                       | 68,141  |
| Fully diluted weighted average shares outstanding           | 68,488                       | 68,191  |
| Fully diluted weighted average shares outstanding (for FFO) | 68,488                       | 68,191  |

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

|   | March 31, 2016<br>(unaudited) | December 31, 2015   |
|---|-------------------------------|---------------------|
| <b>Assets</b>   |                               |                     |
| Land  | \$ 561,256                    | \$ 561,256          |
| Income producing property   | 2,095,306                     | 2,076,541           |
|   | 2,656,562                     | 2,637,797           |
| Accumulated depreciation and amortization   | (714,689)                     | (692,608)           |
| Net income producing property   | 1,941,873                     | 1,945,189           |
| Properties under development or held for future development   | 27,313                        | 36,094              |
| Total real estate held for investment, net  | 1,969,186                     | 1,981,283           |
| Cash and cash equivalents   | 23,575                        | 23,825              |
| Restricted cash   | 9,889                         | 13,383              |
| Rents and other receivables, net of allowance for doubtful accounts of \$2,399 and \$2,297, respectively                                  | 63,863                        | 62,890              |
| Prepaid expenses and other assets   | 118,790                       | 109,787             |
| Total assets  | <u>\$ 2,185,303</u>           | <u>\$ 2,191,168</u> |
| <b>Liabilities</b>  |                               |                     |
| Notes payable   | \$ 743,475                    | \$ 743,181          |
| Mortgage notes payable  | 333,853                       | 418,052             |
| Lines of credit   | 215,000                       | 105,000             |
| Accounts payable and other liabilities  | 56,348                        | 45,367              |
| Dividend Payable  | —                             | 20,434              |
| Advance rents   | 11,589                        | 12,744              |
| Tenant security deposits  | 9,604                         | 9,378               |
| Total liabilities   | 1,369,869                     | 1,354,156           |
| <b>Equity</b>   |                               |                     |
| 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; 68,326 and 68,191 shares issued and outstanding, respectively | 683                           | 682                 |
| Additional paid-in capital  | 1,193,750                     | 1,193,298           |
| Distributions in excess of net income   | (376,041)                     | (357,781)           |
| Accumulated other comprehensive loss  | (4,225)                       | (550)               |
| Total shareholders' equity  | 814,167                       | 835,649             |
| Noncontrolling interests in subsidiaries  | 1,267                         | 1,363               |
| Total equity  | 815,434                       | 837,012             |
| Total liabilities and equity  | <u>\$ 2,185,303</u>           | <u>\$ 2,191,168</u> |

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

| Three months ended March 31, 2016                                       | Multifamily | Office    | Retail    | Total     |
|---|-------------|-----------|-----------|-----------|
| Same-store net operating income <sup>(3)</sup>                          | \$ 8,007    | \$ 24,409 | \$ 10,974 | \$ 43,390 |
| Add: Net operating income from non-same-store properties <sup>(3)</sup> | 2,679       | 2,334     | —         | 5,013     |
| Total net operating income <sup>(2)</sup>                               | \$ 10,686   | \$ 26,743 | \$ 10,974 | \$ 48,403 |
| Add/(deduct):   |             |           |           |           |
| Other income  |             |           |           | 39        |
| Acquisition costs   |             |           |           | (154)     |
| Interest expense  |             |           |           | (14,360)  |
| Depreciation and amortization   |             |           |           | (26,038)  |
| General and administrative expenses                                     |             |           |           | (5,511)   |
| Net income  |             |           |           | 2,379     |
| Less: Net loss attributable to noncontrolling interests in subsidiaries |             |           |           | 5         |
| Net income attributable to the controlling interests                    |             |           |           | \$ 2,384  |

| Three months ended March 31, 2015                                       | Multifamily | Office    | Retail    | Total     |
|---|-------------|-----------|-----------|-----------|
| Same-store net operating income <sup>(3)</sup>                          | \$ 7,841    | \$ 23,463 | \$ 11,011 | \$ 42,315 |
| Add: Net operating income from non-same-store properties <sup>(3)</sup> | 912         | 1,889     | 532       | 3,333     |
| Total net operating income <sup>(2)</sup>                               | \$ 8,753    | \$ 25,352 | \$ 11,543 | \$ 45,648 |
| Add/(deduct):   |             |           |           |           |
| Other income  |             |           |           | 192       |
| Acquisition costs   |             |           |           | (16)      |
| Interest expense  |             |           |           | (15,348)  |
| Depreciation and amortization   |             |           |           | (25,275)  |
| General and administrative expenses                                     |             |           |           | (6,080)   |
| Gain on sale of real estate   |             |           |           | 30,277    |
| Net income  |             |           |           | 29,398    |
| Less: Net loss attributable to noncontrolling interests in subsidiaries |             |           |           | 108       |
| Net income attributable to the controlling interests                    |             |           |           | \$ 29,506 |

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 March 31, |           |
|---|------------------------------|-----------|
|   | 2016                         | 2015      |
| Net income                                  | \$ 2,379                     | \$ 29,398 |
| Add/(deduct):                               |                              |           |
| Real estate depreciation and amortization   | 26,038                       | 25,275    |
| Gain on sale of depreciable real estate     | —                            | (30,277)  |
| NAREIT funds from operations <sup>(1)</sup> | 28,417                       | 24,396    |
| Add/(deduct):                               |                              |           |
| Acquisition and structuring expenses        | 259                          | 234       |
| Severance expense                           | 460                          | 1,001     |
| Relocation expense                          | —                            | 64        |
| Core funds from operations <sup>(1)</sup>   | \$ 29,136                    | \$ 25,695 |

|   |           | Three Months Ended March 31, |         |
|---|-----------|------------------------------|---------|
|   |           | 2016                         | 2015    |
| Per share data:   |           |                              |         |
| NAREIT FFO  | (Basic)   | \$ 0.41                      | \$ 0.36 |
|   | (Diluted) | \$ 0.41                      | \$ 0.36 |
| Core FFO  | (Basic)   | \$ 0.43                      | \$ 0.38 |
|   | (Diluted) | \$ 0.42                      | \$ 0.38 |
| Weighted average shares outstanding                         |           | 68,301                       | 68,141  |
| Fully diluted weighted average shares outstanding (for FFO) |           | 68,488                       | 68,191  |

WASHINGTON★REIT

**Washington Real Estate Investment Trust  
First Quarter 2016**



**Supplemental Operating and Financial Data**

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## Company Background and Highlights

First Quarter 2016

Washington Real Estate Investment Trust ("Washington REIT") is a self-administered 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.

### First Quarter 2016 Highlights

- Generated Core Funds from Operations (FFO) of \$0.42 per fully diluted share for the first quarter, a 10.5% or \$0.04 increase over first quarter of 2015
- Achieved same-store Net Operating Income (NOI) growth of 2.5%, with same-store rental growth of 2.7%, over first quarter 2015
- Improved overall portfolio physical occupancy to 90.6%, 110 basis points higher than first quarter of 2015 and 40 basis points higher than fourth quarter 2015
- Executed new and renewal commercial leases totaling 265,000 square feet at an average rental rate increase of 31.9% over in-place rents for new leases and an average rental rate increase of 16.0% over in-place rents for renewal leases
- Entered into contracts with an institutional buyer to sell all six of its suburban Maryland office assets for \$240 million and has one suburban Maryland multifamily asset to be placed on the market later this year
- Has an additional suburban office asset currently in the market and is evaluating investor interest
- Under contract to acquire Riverside Apartments, a 1,222 unit apartment community with potential to create value through the renovation of approximately 850 units and on-site density to develop approximately 550 additional units, for \$244.75 million
- Continues to plan to pay down approximately \$100 million of net debt this year
- Reaffirmed 2016 Core FFO guidance of \$1.70 - \$1.77 per fully diluted share

Of the 265,000 square feet of commercial leases signed, there were 44,000 square feet of new leases and 221,000 square feet of renewal leases. New leases had an average rental rate increase of 31.9% over expiring lease rates and a weighted average lease term of 8.3 years. Commercial tenant improvement costs were \$40.31 per square foot and leasing commissions and incentives were \$33.23 per square foot for new leases. Renewal leases had an average rental rate increase of 16.0% from expiring lease rates and a weighted average lease term of 7.6 years. Commercial tenant improvement costs were \$34.34 per square foot and leasing commissions and incentives were \$37.65 per square foot for renewal leases.

In the first quarter, Washington REIT prepaid without penalty a \$51.0 million 5.79% mortgage note on John Marshall II. The Company also purchased a \$32.2 million variable rate secured loan on The Maxwell from an outside lender. Washington REIT funded by cash and using proceeds from draws on its line of credit. The Company plans to net pay down approximately \$100 million of debt this year and to term out debt in the second half of the year.

As of March 31, 2016, Washington REIT owned a diversified portfolio of 54 properties, totaling approximately 7 million square feet of commercial space and 3,258 multifamily 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)

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**Net Operating Income Contribution by Sector - First Quarter 2016**



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 2015 Form 10-K. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

**Supplemental Financial and Operating Data**

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

| <b>OPERATING RESULTS</b>                                    | <b>Three Months Ended</b> |                   |                  |                  |                  |
|---|---------------------------|-------------------|------------------|------------------|------------------|
|   | <b>3/31/2016</b>          | <b>12/31/2015</b> | <b>9/30/2015</b> | <b>6/30/2015</b> | <b>3/31/2015</b> |
| Real estate rental revenue                                  | \$ 77,137                 | \$ 79,102         | \$ 78,243        | \$ 74,226        | \$ 74,856        |
| Real estate expenses  | (28,734)                  | (27,688)          | (28,109)         | (27,229)         | (29,208)         |
|   | 48,403                    | 51,414            | 50,134           | 46,997           | 45,648           |
| Real estate depreciation and amortization                   | (26,038)                  | (28,808)          | (29,349)         | (25,503)         | (25,275)         |
| Income from real estate                                     | 22,365                    | 22,606            | 20,785           | 21,494           | 20,373           |
| Interest expense  | (14,360)                  | (15,012)          | (14,486)         | (14,700)         | (15,348)         |
| Other income  | 39                        | 162               | 163              | 192              | 192              |
| Acquisition costs   | (154)                     | (119)             | (929)            | (992)            | (16)             |
| Real estate impairment                                      | —                         | —                 | —                | (5,909)          | —                |
| Gain on sale of real estate                                 | —                         | 59,376            | —                | 1,454            | 30,277           |
| Loss on extinguishment of debt                              | —                         | —                 | —                | (119)            | —                |
| General and administrative                                  | (5,511)                   | (4,918)           | (4,953)          | (4,306)          | (6,080)          |
| Net income (loss)   | 2,379                     | 62,095            | 580              | (2,886)          | 29,398           |
| Less: Net loss from noncontrolling interests                | 5                         | 38                | 67               | 340              | 108              |
| Net income (loss) attributable to the controlling interests | \$ 2,384                  | \$ 62,133         | \$ 647           | \$ (2,546)       | \$ 29,506        |
| <b>Per Share Data:</b>                                      |                           |                   |                  |                  |                  |
| Net income (loss)   | \$ 0.03                   | \$ 0.91           | \$ 0.01          | \$ (0.04)        | \$ 0.43          |
| Fully diluted weighted average shares outstanding           | 68,488                    | 68,371            | 68,305           | 68,176           | 68,191           |
| <b>Percentage of Revenues:</b>                              |                           |                   |                  |                  |                  |
| Real estate expenses  | 37.3%                     | 35.0%             | 35.9%            | 36.7 %           | 39.0%            |
| General and administrative                                  | 7.1%                      | 6.2%              | 6.3%             | 5.8 %            | 8.1%             |
| <b>Ratios:</b>  |                           |                   |                  |                  |                  |
| Adjusted EBITDA / Interest expense                          | 3.0x                      | 3.1x              | 3.2x             | 3.0x             | 2.7x             |
| Income from continuing operations/Total real estate revenue | 3.1%                      | 78.5%             | 0.7%             | (3.9)%           | 39.3%            |
| Net income /Total real estate revenue                       | 3.1%                      | 78.5%             | 0.8%             | (3.4)%           | 39.4%            |

**Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

|  | <u>3/31/2016</u>    | <u>12/31/2015</u>   | <u>9/30/2015</u>    | <u>6/30/2015</u>    | <u>3/31/2015</u>    |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |                     |                     |                     |
| Land   | \$ 561,256          | \$ 561,256          | \$ 572,880          | \$ 542,654          | \$ 543,247          |
| Income producing property  | 2,095,306           | 2,076,541           | 2,074,425           | 1,966,612           | 1,932,908           |
|  | <u>2,656,562</u>    | <u>2,637,797</u>    | <u>2,647,305</u>    | <u>2,509,266</u>    | <u>2,476,155</u>    |
| Accumulated depreciation and amortization                                  | (714,689)           | (692,608)           | (677,480)           | (670,103)           | (649,279)           |
| Net income producing property  | 1,941,873           | 1,945,189           | 1,969,825           | 1,839,163           | 1,826,876           |
| Development in progress, including land held for development               | 27,313              | 36,094              | 35,256              | 35,314              | 65,656              |
| Total real estate held for investment, net                                 | 1,969,186           | 1,981,283           | 2,005,081           | 1,874,477           | 1,892,532           |
| Investment in real estate held for sale, net                               | —                   | —                   | 5,010               | —                   | —                   |
| Cash and cash equivalents  | 23,575              | 23,825              | 21,012              | 22,778              | 40,025              |
| Restricted cash  | 9,889               | 13,383              | 12,544              | 13,705              | 13,095              |
| Rents and other receivables, net of allowance for doubtful accounts        | 63,863              | 62,890              | 62,306              | 61,577              | 60,215              |
| Prepaid expenses and other assets  | 118,790             | 109,787             | 117,167             | 112,852             | 112,165             |
| Other assets related to properties sold or held for sale                   | —                   | —                   | 278                 | —                   | —                   |
| Total assets   | <u>\$ 2,185,303</u> | <u>\$ 2,191,168</u> | <u>\$ 2,223,398</u> | <u>\$ 2,085,389</u> | <u>\$ 2,118,032</u> |
| <b>Liabilities</b>   |                     |                     |                     |                     |                     |
| Notes payable  | \$ 743,475          | \$ 743,181          | \$ 742,971          | \$ 593,755          | \$ 743,477          |
| Mortgage notes payable   | 333,853             | 418,052             | 418,400             | 418,637             | 417,906             |
| Lines of credit  | 215,000             | 105,000             | 195,000             | 185,000             | 30,000              |
| Accounts payable and other liabilities                                     | 56,348              | 45,367              | 54,131              | 50,281              | 65,447              |
| Dividend Payable   | —                   | 20,434              | —                   | —                   | —                   |
| Advance rents  | 11,589              | 12,744              | 10,766              | 13,733              | 14,471              |
| Tenant security deposits   | 9,604               | 9,378               | 9,225               | 9,053               | 8,892               |
| Liabilities related to properties sold or held for sale                    | —                   | —                   | 329                 | —                   | —                   |
| Total liabilities  | 1,369,869           | 1,354,156           | 1,430,822           | 1,270,459           | 1,280,193           |
| <b>Equity</b>  |                     |                     |                     |                     |                     |
| Preferred shares; \$0.01 par value; 10,000 shares authorized               | —                   | —                   | —                   | —                   | —                   |
| Shares of beneficial interest, \$0.01 par value; 100,000 shares authorized | 683                 | 682                 | 682                 | 682                 | 681                 |
| Additional paid-in capital   | 1,193,750           | 1,193,298           | 1,192,202           | 1,191,594           | 1,191,123           |
| Distributions in excess of net income                                      | (376,041)           | (357,781)           | (399,421)           | (379,577)           | (356,531)           |
| Accumulated other comprehensive loss                                       | (4,225)             | (550)               | (2,288)             | —                   | —                   |
| Total shareholders' equity   | 814,167             | 835,649             | 791,175             | 812,699             | 835,273             |
| Noncontrolling interests in subsidiaries                                   | 1,267               | 1,363               | 1,401               | 2,231               | 2,566               |
| Total equity   | 815,434             | 837,012             | 792,576             | 814,930             | 837,839             |
| Total liabilities and equity   | <u>\$ 2,185,303</u> | <u>\$ 2,191,168</u> | <u>\$ 2,223,398</u> | <u>\$ 2,085,389</u> | <u>\$ 2,118,032</u> |
| Total Debt / Total Market Capitalization                                   | 0.39:1              | 0.41:1              | 0.44:1              | 0.40:1              | 0.39:1              |

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

|   | Three Months Ended |                  |                  |                  |                  |
|---|--------------------|------------------|------------------|------------------|------------------|
|   | 3/31/2016          | 12/31/2015       | 9/30/2015        | 6/30/2015        | 3/31/2015        |
| <b>Funds from operations<sup>(1)</sup></b>            |                    |                  |                  |                  |                  |
| <b>Net (loss) income</b>                              | \$ 2,379           | \$ 62,095        | \$ 580           | \$ (2,886)       | \$ 29,398        |
| Real estate depreciation and amortization             | 26,038             | 28,808           | 29,349           | 25,503           | 25,275           |
| Gain on sale of depreciable real estate               | —                  | (59,376)         | —                | —                | (30,277)         |
| <b>NAREIT funds from operations (FFO)</b>             | <u>28,417</u>      | <u>31,527</u>    | <u>29,929</u>    | <u>22,617</u>    | <u>24,396</u>    |
| Loss on extinguishment of debt                        | —                  | —                | —                | 119              | —                |
| Real estate impairment                                | —                  | —                | —                | 5,909            | —                |
| Loss (gain) on sale of non depreciable real estate    | —                  | —                | 50               | (1,454)          | —                |
| Severance expense                                     | 460                | —                | —                | —                | 1,001            |
| Relocation expense                                    | —                  | —                | —                | 26               | 64               |
| Acquisition and structuring expenses                  | 259                | 189              | 1,034            | 1,264            | 234              |
| <b>Core FFO<sup>(1)</sup></b>                         | <u>\$ 29,136</u>   | <u>\$ 31,716</u> | <u>\$ 31,013</u> | <u>\$ 28,481</u> | <u>\$ 25,695</u> |
| Allocation to participating securities <sup>(2)</sup> | (90)               | (180)            | (47)             | (80)             | (108)            |
| NAREIT FFO per share - basic                          | \$ 0.41            | \$ 0.46          | \$ 0.44          | \$ 0.33          | \$ 0.36          |
| NAREIT FFO per share - fully diluted                  | \$ 0.41            | \$ 0.46          | \$ 0.44          | \$ 0.33          | \$ 0.36          |
| Core FFO per share - fully diluted                    | \$ 0.42            | \$ 0.46          | \$ 0.45          | \$ 0.42          | \$ 0.38          |
| Common dividend per share                             | \$ 0.30            | \$ 0.30          | \$ 0.30          | \$ 0.30          | \$ 0.30          |
| Average shares - basic                                | 68,301             | 68,204           | 68,186           | 68,176           | 68,141           |
| Average shares - fully diluted (for FFO and FAD)      | 68,488             | 68,371           | 68,305           | 68,375           | 68,191           |

<sup>(1)</sup> See "Supplemental Definitions" on page 27 of this supplemental for the definitions of FFO and Core FFO.<sup>(2)</sup> 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 |                  |                  |                  |                  |
|--|--------------------|------------------|------------------|------------------|------------------|
|  | 3/31/2016          | 12/31/2015       | 9/30/2015        | 6/30/2015        | 3/31/2015        |
| <b>Funds available for distribution<sup>(1)</sup></b>                |                    |                  |                  |                  |                  |
| <b>NAREIT FFO</b>  | \$ 28,417          | \$ 31,527        | \$ 29,929        | \$ 22,617        | \$ 24,396        |
| Non-cash loss on extinguishment of debt                              | —                  | —                | —                | 119              | —                |
| Tenant improvements and incentives                                   | (1,543)            | (6,792)          | (5,231)          | (3,417)          | (3,730)          |
| Leasing commissions  | (1,015)            | (2,426)          | (1,714)          | (1,149)          | (1,606)          |
| Recurring capital improvements                                       | (908)              | (3,296)          | (1,326)          | (737)            | (689)            |
| Straight-line rent, net  | (683)              | (533)            | (680)            | (538)            | 407              |
| Non-cash fair value interest expense                                 | 42                 | 41               | 38               | 36               | 35               |
| Non-real estate depreciation and amortization                        | 950                | 980              | 938              | 1,123            | 938              |
| Amortization of lease intangibles, net                               | 943                | 925              | 913              | 970              | 768              |
| Amortization and expensing of restricted share and unit compensation | 1,519              | 1,123            | 863              | 1,195            | 1,826            |
| <b>Funds available for distribution (FAD)</b>                        | <u>27,722</u>      | <u>21,549</u>    | <u>23,730</u>    | <u>20,219</u>    | <u>22,345</u>    |
| Gain on sale of real estate  | —                  | —                | 50               | (1,454)          | —                |
| Non-share-based severance expense                                    | 39                 | —                | —                | —                | 196              |
| Relocation expense   | —                  | —                | —                | 26               | 81               |
| Acquisition and structuring expenses                                 | 259                | 189              | 1,034            | 1,264            | 234              |
| Real estate impairment   | —                  | —                | —                | 5,909            | —                |
| <b>Core FAD<sup>(1)</sup></b>  | <u>\$ 28,020</u>   | <u>\$ 21,738</u> | <u>\$ 24,814</u> | <u>\$ 25,964</u> | <u>\$ 22,856</u> |
| Allocation to participating securities <sup>(2)</sup>                | (90)               | (180)            | (47)             | (80)             | (108)            |
| FAD per share - basic  | \$ 0.40            | \$ 0.31          | \$ 0.35          | \$ 0.30          | \$ 0.33          |
| FAD per share - fully diluted  | \$ 0.40            | \$ 0.31          | \$ 0.35          | \$ 0.29          | \$ 0.33          |
| Core FAD per share - fully diluted                                   | \$ 0.41            | \$ 0.32          | \$ 0.36          | \$ 0.38          | \$ 0.33          |
| Common dividend per share  | \$ 0.30            | \$ 0.30          | \$ 0.30          | \$ 0.30          | \$ 0.30          |
| Average shares - basic   | 68,301             | 68,204           | 68,186           | 68,176           | 68,141           |
| Average shares - fully diluted (for FFO and FAD)                     | 68,488             | 68,371           | 68,305           | 68,375           | 68,191           |

<sup>(1)</sup> See "Supplemental Definitions" on page 27 of this supplemental for the definitions of FAD and Core FAD.

<sup>(2)</sup> 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 |                  |                  |                  |                  |
|---|--------------------|------------------|------------------|------------------|------------------|
|   | 3/31/2016          | 12/31/2015       | 9/30/2015        | 6/30/2015        | 3/31/2015        |
| <b>Adjusted EBITDA <sup>(1)</sup></b>     |                    |                  |                  |                  |                  |
| <b>Net income (loss)</b>                  | \$ 2,379           | \$ 62,095        | \$ 580           | \$ (2,886)       | \$ 29,398        |
| Add:                                      |                    |                  |                  |                  |                  |
| Interest expense                          | 14,360             | 15,012           | 14,486           | 14,700           | 15,348           |
| Real estate depreciation and amortization | 26,038             | 28,808           | 29,349           | 25,503           | 25,275           |
| Income tax expense                        | —                  | 65               | 41               | 28               | —                |
| Real estate impairment                    | —                  | —                | —                | 5,909            | —                |
| Non-real estate depreciation              | 152                | 149              | 168              | 178              | 103              |
| Severance expense                         | 460                | —                | —                | —                | 1,001            |
| Relocation expense                        | —                  | —                | —                | 26               | 64               |
| Acquisition and structuring expenses      | 259                | 189              | 1,034            | 1,264            | 234              |
| Less:                                     |                    |                  |                  |                  |                  |
| Net (gain) loss on sale of real estate    | —                  | (59,376)         | 50               | (1,454)          | (30,277)         |
| Loss on extinguishment of debt            | —                  | —                | —                | 119              | —                |
| <b>Adjusted EBITDA</b>                    | <b>\$ 43,648</b>   | <b>\$ 46,942</b> | <b>\$ 45,708</b> | <b>\$ 43,387</b> | <b>\$ 41,146</b> |

<sup>(1)</sup> 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, severance expense, relocation expense, acquisition and structuring expenses, gain from non-disposal activities and allocations to noncontrolling interests. 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)

|                             | 3/31/2016           | 12/31/2015          | 9/30/2015           | 6/30/2015           | 3/31/2015           |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Balances Outstanding</b> |                     |                     |                     |                     |                     |
| <b>Secured</b>              |                     |                     |                     |                     |                     |
| Conventional fixed rate     | \$ 333,853          | \$ 418,052          | \$ 418,400          | \$ 418,637          | \$ 417,906          |
| <b>Unsecured</b>            |                     |                     |                     |                     |                     |
| Fixed rate bonds            | 594,411             | 594,164             | 594,002             | 593,755             | 743,477             |
| Term loans                  | 149,064             | 149,017             | 148,969             | —                   | —                   |
| Credit facility             | 215,000             | 105,000             | 195,000             | 185,000             | 30,000              |
| Unsecured total             | <u>958,475</u>      | <u>848,181</u>      | <u>937,971</u>      | <u>778,755</u>      | <u>773,477</u>      |
| Total                       | <u>\$ 1,292,328</u> | <u>\$ 1,266,233</u> | <u>\$ 1,356,371</u> | <u>\$ 1,197,392</u> | <u>\$ 1,191,383</u> |

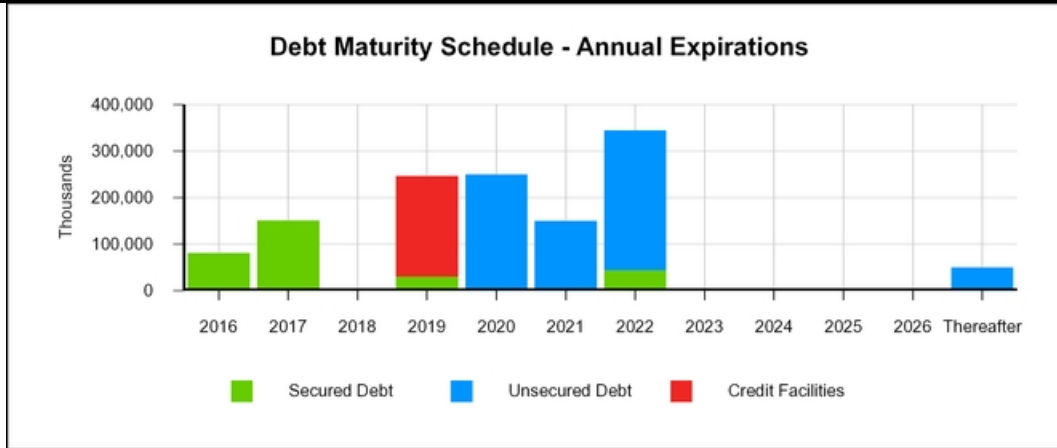
**Weighted Average Interest Rates**

|                           |             |             |             |             |             |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Secured</b>            |             |             |             |             |             |
| Conventional fixed rate   | 5.4%        | 5.2%        | 5.2%        | 5.2%        | 5.2%        |
| <b>Unsecured</b>          |             |             |             |             |             |
| Fixed rate bonds          | 4.7%        | 4.7%        | 4.7%        | 4.7%        | 4.9%        |
| Term loans <sup>(1)</sup> | 2.7%        | 2.7%        | 2.7%        | —%          | —%          |
| Credit facility           | 1.4%        | 1.4%        | 1.2%        | 1.2%        | 1.4%        |
| Unsecured total           | <u>3.7%</u> | <u>4.0%</u> | <u>3.7%</u> | <u>3.9%</u> | <u>4.7%</u> |
| Weighted Average          | <u>4.1%</u> | <u>4.4%</u> | <u>4.2%</u> | <u>4.4%</u> | <u>4.9%</u> |

<sup>(1)</sup> Washington REIT entered into an interest rate swap to swap from a LIBOR plus 110 basis points floating interest rate to a 2.72% all-in fixed interest rate commencing October 15, 2015.

Note: The current debt balances outstanding are shown net of discounts, premiums and unamortized debt costs (see page 10 of this Supplemental).

**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 |
|---------------------------------|-------------------|------------------------|------------------------|---------------------|-------------------|
| 2016                            | \$ 81,029         | \$ —                   | \$ —                   | \$ 81,029           | 5.7%              |
| 2017                            | 150,903           | —                      | —                      | 150,903             | 5.9%              |
| 2018                            | —                 | —                      | —                      | —                   |                   |
| 2019                            | 31,280            | —                      | 215,000 <sup>(1)</sup> | 246,280             | 1.9%              |
| 2020                            | —                 | 250,000                | —                      | 250,000             | 5.1%              |
| 2021                            | —                 | 150,000 <sup>(2)</sup> | —                      | 150,000             | 2.7%              |
| 2022                            | 44,517            | 300,000                | —                      | 344,517             | 4.0%              |
| 2023                            | —                 | —                      | —                      | —                   |                   |
| 2024                            | —                 | —                      | —                      | —                   |                   |
| 2025                            | —                 | —                      | —                      | —                   |                   |
| 2026                            | —                 | —                      | —                      | —                   |                   |
| Thereafter                      | —                 | 50,000                 | —                      | 50,000              | 7.4%              |
| Scheduled principal payments    | \$ 307,729        | \$ 750,000             | \$ 215,000             | \$ 1,272,729        | 4.1%              |
| Scheduled amortization payments | 22,598            | —                      | —                      | 22,598              | 4.7%              |
| Net discounts/premiums          | 4,217             | (2,264)                | —                      | 1,953               |                   |
| Loan costs, net of amortization | (691)             | (4,261)                | —                      | (4,952)             |                   |
| <b>Total maturities</b>         | <b>\$ 333,853</b> | <b>\$ 743,475</b>      | <b>\$ 215,000</b>      | <b>\$ 1,292,328</b> | <b>4.1%</b>       |

Weighted average maturity =4.5 years

<sup>(1)</sup> Maturity date for credit facility may be extended for up to two additional 6-month periods at Washington REIT's option.

<sup>(2)</sup> Washington REIT entered into an interest rate swap to swap from a LIBOR plus 110 basis points floating interest rate to a 2.72% all-in fixed interest rate commencing October 15, 2015.

## Debt Covenant Compliance

|   | Unsecured Notes Payable         |          | Unsecured Line of Credit<br>(\$600.0 million) |          |
|---|---------------------------------|----------|---|----------|
|   | Quarter Ended<br>March 31, 2016 | Covenant | Quarter Ended<br>March 31, 2016               | Covenant |
| % of Total Indebtedness to Total Assets <sup>(1)</sup>  | 44.6%                           | ≤ 65.0%  | N/A   | N/A      |
| Ratio of Income Available for Debt Service to Annual Debt Service                                 | 3.3                             | ≥ 1.5    | N/A   | N/A      |
| % of Secured Indebtedness to Total Assets <sup>(1)</sup>  | 11.5%                           | ≤ 40.0%  | N/A   | N/A      |
| Ratio of Total Unencumbered Assets <sup>(2)</sup> to Total Unsecured Indebtedness                 | 2.4                             | ≥ 1.5    | N/A   | N/A      |
| % of Net Consolidated Total Indebtedness to Consolidated Total Asset Value <sup>(3)</sup>         | N/A                             | N/A      | 41.7%   | ≤ 60.0%  |
| Ratio of Consolidated Adjusted EBITDA <sup>(4)</sup> to Consolidated Fixed Charges <sup>(5)</sup> | N/A                             | N/A      | 2.94  | ≥ 1.50   |
| % of Consolidated Secured Indebtedness to Consolidated Total Asset Value <sup>(3)</sup>           | N/A                             | N/A      | 11.0%   | ≤ 40.0%  |
| % of Consolidated Unsecured Indebtedness to Unencumbered Pool Value <sup>(6)</sup>                | N/A                             | N/A      | 37.7%   | ≤ 60.0%  |
| Ratio of Unencumbered Adjusted Net Operating Income to Consolidated Unsecured Interest Expense    | N/A                             | N/A      | 3.98  | ≥ 1.75   |

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

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

<sup>(3)</sup> Consolidated Total Asset Value is the sum of unrestricted cash plus the quotient of applying a capitalization rate to the annualized NOI from the most recently ended quarter for each asset class, excluding NOI from disposed properties, acquisitions during the past 6 quarters, development, major redevelopment and low occupancy properties. To this amount, we add the purchase price of acquisitions during the past 6 quarters plus values for development, major redevelopment and low occupancy properties.

<sup>(4)</sup> Consolidated Adjusted EBITDA is defined as earnings before noncontrolling interests, depreciation, amortization, interest expense, income tax expense, acquisition costs, extraordinary, unusual or nonrecurring transactions including sale of assets, impairment, gains and losses on extinguishment of debt and other non-cash charges.

<sup>(5)</sup> Consolidated Fixed Charges consist of interest expense excluding capitalized interest and amortization of deferred financing costs, principal payments and preferred dividends, if any.

<sup>(6)</sup> Unencumbered Pool Value is the sum of unrestricted cash plus the quotient of applying a capitalization rate to the annualized NOI from unencumbered properties from the most recently ended quarter for each asset class excluding NOI from disposed properties, acquisitions during the past 6 quarters, development, major redevelopment and low occupancy properties. To this we add the purchase price of unencumbered acquisitions during the past 6 quarters and values for unencumbered development, major redevelopment and low occupancy properties.

**Capital Analysis**  
(In thousands, except per share amounts)

|  | 3/31/2016    | 12/31/2015   | 9/30/2015    | 6/30/2015    | 3/31/2015    |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Market Data</b>                         |              |              |              |              |              |
| Shares Outstanding                         | \$ 68,326    | \$ 68,191    | \$ 68,180    | \$ 68,162    | \$ 68,126    |
| Market Price per Share                     | 29.21        | 27.06        | 24.93        | 25.95        | 27.63        |
| Equity Market Capitalization               | \$ 1,995,802 | \$ 1,845,248 | \$ 1,699,727 | \$ 1,768,804 | \$ 1,882,321 |
| Total Debt                                 | \$ 1,292,328 | \$ 1,266,233 | \$ 1,356,371 | \$ 1,197,392 | \$ 1,191,383 |
| Total Market Capitalization                | \$ 3,288,130 | \$ 3,111,481 | \$ 3,056,098 | \$ 2,966,196 | \$ 3,073,704 |
| Total Debt to Market Capitalization        | 0.39:1       | 0.41:1       | 0.44:1       | 0.40:1       | 0.39:1       |
| Earnings to Fixed Charges <sup>(1)</sup>   | 1.2x         | 5.1x         | 1.0x         | 0.8x         | 2.9x         |
| Debt Service Coverage Ratio <sup>(2)</sup> | 2.8x         | 2.9x         | 2.9x         | 2.7x         | 2.5x         |

**Dividend Data**

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Total Dividends Declared                | \$ 20,644 | \$ 20,493 | \$ 20,491 | \$ 20,500 | \$ 20,519 |
| Common Dividend Declared per Share      | \$ 0.30   | \$ 0.30   | \$ 0.30   | \$ 0.30   | \$ 0.30   |
| Payout Ratio (Core FFO per share basis) | 71.4%     | 65.0%     | 66.7%     | 71.4%     | 78.9%     |
| Payout Ratio (Core FAD per share basis) | 73.2%     | 93.8%     | 83.3%     | 78.9%     | 90.9%     |

<sup>(1)</sup> 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. The earnings to fixed charges ratios for the three months ended December 31, 2015, June 30, 2015 and March 31, 2015 include gains on the sale of real estate of \$59.4 million, \$1.5 million and \$30.3 million, respectively.

<sup>(2)</sup> Debt service coverage ratio is computed by dividing Adjusted EBITDA (see page 8) by interest expense and principal amortization.

**Same-Store Portfolio Net Operating Income (NOI) Growth & Rental Rate Growth**  
2016 vs. 2015

|  | Three Months Ended March 31, |                  | % Change     | Rental Rate Growth |
|--|------------------------------|------------------|--------------|--------------------|
|  | 2016                         | 2015             |              |                    |
| <b>Cash Basis:</b>                                 |                              |                  |              |                    |
| Multifamily  | \$ 8,019                     | \$ 7,843         | 2.2 %        | (0.2)%             |
| Office   | 24,698                       | 24,652           | 0.2 %        | 1.4 %              |
| Retail   | 10,653                       | 10,847           | (1.8)%       | 3.4 %              |
| <b>Overall Same-Store Portfolio <sup>(1)</sup></b> | <b>\$ 43,370</b>             | <b>\$ 43,342</b> | <b>0.1 %</b> | <b>1.4 %</b>       |
| <b>GAAP Basis:</b>                                 |                              |                  |              |                    |
| Multifamily  | \$ 8,007                     | \$ 7,841         | 2.1 %        | (0.3)%             |
| Office   | 24,409                       | 23,463           | 4.0 %        | 3.6 %              |
| Retail   | 10,974                       | 11,011           | (0.3)%       | 3.2 %              |
| <b>Overall Same-Store Portfolio <sup>(1)</sup></b> | <b>\$ 43,390</b>             | <b>\$ 42,315</b> | <b>2.5 %</b> | <b>2.7 %</b>       |

<sup>(1)</sup> Non same-store properties were:

Acquisitions:

    Multifamily - The Wellington

Development/Redevelopment:

    Multifamily - The Maxwell

    Office - Silverline Center and The Army Navy Club Building

Sold properties classified as continuing operations:

    Multifamily - Country Club Towers and Munson Hill

    Retail - Montgomery Village Center

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

|   | Three Months Ended March 31, 2016 |           |           |                     |           |
|---|-----------------------------------|-----------|-----------|---------------------|-----------|
|   | Multifamily                       | Office    | Retail    | Corporate and Other | Total     |
| Real estate rental revenue                                  |                                   |           |           |                     |           |
| Same-store portfolio  | \$ 13,679                         | \$ 39,339 | \$ 15,380 | \$ —                | \$ 68,398 |
| Non same-store - acquired and in development <sup>(1)</sup> | 4,260                             | 4,479     | —         | —                   | 8,739     |
| Total   | 17,939                            | 43,818    | 15,380    | —                   | 77,137    |
| Real estate expenses  |                                   |           |           |                     |           |
| Same-store portfolio  | 5,672                             | 14,930    | 4,406     | —                   | 25,008    |
| Non same-store - acquired and in development <sup>(1)</sup> | 1,581                             | 2,145     | —         | —                   | 3,726     |
| Total   | 7,253                             | 17,075    | 4,406     | —                   | 28,734    |
| Net Operating Income (NOI)                                  |                                   |           |           |                     |           |
| Same-store portfolio  | 8,007                             | 24,409    | 10,974    | —                   | 43,390    |
| Non same-store - acquired and in development <sup>(1)</sup> | 2,679                             | 2,334     | —         | —                   | 5,013     |
| Total   | \$ 10,686                         | \$ 26,743 | \$ 10,974 | \$ —                | \$ 48,403 |
| Same-store portfolio NOI (from above)                       | \$ 8,007                          | \$ 24,409 | \$ 10,974 | \$ —                | \$ 43,390 |
| Straight-line revenue, net for same-store properties        | 11                                | (428)     | (116)     | —                   | (533)     |
| FAS 141 Min Rent  | 1                                 | 190       | (254)     | —                   | (63)      |
| Amortization of lease intangibles for same-store properties | —                                 | 527       | 49        | —                   | 576       |
| Same-store portfolio cash NOI                               | \$ 8,019                          | \$ 24,698 | \$ 10,653 | \$ —                | \$ 43,370 |
| Reconciliation of NOI to net income                         |                                   |           |           |                     |           |
| Total NOI   | \$ 10,686                         | \$ 26,743 | \$ 10,974 | \$ —                | \$ 48,403 |
| Depreciation and amortization                               | (5,403)                           | (16,783)  | (3,609)   | (243)               | (26,038)  |
| General and administrative                                  | —                                 | —         | —         | (5,511)             | (5,511)   |
| Interest expense  | (2,243)                           | (2,527)   | (216)     | (9,374)             | (14,360)  |
| Other income  | —                                 | —         | —         | 39                  | 39        |
| Acquisition costs   | —                                 | —         | —         | (154)               | (154)     |
| Net income  | 3,040                             | 7,433     | 7,149     | (15,243)            | 2,379     |
| Net loss attributable to noncontrolling interests           | —                                 | —         | —         | 5                   | 5         |
| Net income attributable to the controlling interests        | \$ 3,040                          | \$ 7,433  | \$ 7,149  | \$ (15,238)         | \$ 2,384  |

<sup>(1)</sup> For a list of non-same-store properties and held for sale and sold properties, see page 13 of this Supplemental.

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

|   | Three Months Ended March 31, 2015 |           |           |                     |           |
|---|-----------------------------------|-----------|-----------|---------------------|-----------|
|   | Multifamily                       | Office    | Retail    | Corporate and Other | Total     |
| Real estate rental revenue                                  |                                   |           |           |                     |           |
| Same-store portfolio  | \$ 13,616                         | \$ 38,612 | \$ 15,479 | \$ —                | \$ 67,707 |
| Non same-store - acquired and in development <sup>(1)</sup> | 2,415                             | 3,883     | 851       | —                   | 7,149     |
| Total   | 16,031                            | 42,495    | 16,330    | —                   | 74,856    |
| Real estate expenses  |                                   |           |           |                     |           |
| Same-store portfolio  | 5,775                             | 15,149    | 4,468     | —                   | 25,392    |
| Non same-store - acquired and in development <sup>(1)</sup> | 1,503                             | 1,994     | 319       | —                   | 3,816     |
| Total   | 7,278                             | 17,143    | 4,787     | —                   | 29,208    |
| Net Operating Income (NOI)                                  |                                   |           |           |                     |           |
| Same-store portfolio  | 7,841                             | 23,463    | 11,011    | —                   | 42,315    |
| Non same-store - acquired and in development <sup>(1)</sup> | 912                               | 1,889     | 532       | —                   | 3,333     |
| Total   | \$ 8,753                          | \$ 25,352 | \$ 11,543 | \$ —                | \$ 45,648 |
| Same-store portfolio NOI (from above)                       | \$ 7,841                          | \$ 23,463 | \$ 11,011 | \$ —                | \$ 42,315 |
| Straight-line revenue, net for same-store properties        | 1                                 | 557       | 8         | —                   | 566       |
| FAS 141 Min Rent  | 1                                 | 164       | (240)     | —                   | (75)      |
| Amortization of lease intangibles for same-store properties | —                                 | 468       | 68        | —                   | 536       |
| Same-store portfolio cash NOI                               | \$ 7,843                          | \$ 24,652 | \$ 10,847 | \$ —                | \$ 43,342 |
| Reconciliation of NOI to net income                         |                                   |           |           |                     |           |
| Total NOI   | \$ 8,753                          | \$ 25,352 | \$ 11,543 | \$ —                | \$ 45,648 |
| Depreciation and amortization                               | (4,519)                           | (16,786)  | (3,699)   | (271)               | (25,275)  |
| General and administrative                                  | —                                 | —         | —         | (6,080)             | (6,080)   |
| Interest expense  | (2,422)                           | (2,965)   | (237)     | (9,724)             | (15,348)  |
| Other income  | —                                 | —         | —         | 192                 | 192       |
| Acquisition costs   | —                                 | —         | —         | (16)                | (16)      |
| Gain on sale of real estate                                 | —                                 | —         | —         | 30,277              | 30,277    |
| Net income  | 1,812                             | 5,601     | 7,607     | 14,378              | 29,398    |
| Net income attributable to noncontrolling interests         | —                                 | —         | —         | 108                 | 108       |
| Net income attributable to the controlling interests        | \$ 1,812                          | \$ 5,601  | \$ 7,607  | \$ 14,486           | \$ 29,506 |

<sup>(1)</sup> For a list of non-same-store properties and held for sale and sold properties, see page 13 of this Supplemental.

**Net Operating Income (NOI) by Region**

|                        | <b>Percentage of NOI</b> |
|------------------------|--------------------------|
|                        | <b>Q1 2016</b>           |
| <b>DC</b>              |                          |
| Multifamily            | 5.6 %                    |
| Office                 | 24.9 %                   |
| Retail                 | 1.5 %                    |
|                        | <hr/>                    |
|                        | <b>32.0 %</b>            |
| <b>Maryland</b>        |                          |
| Multifamily            | 2.5 %                    |
| Office                 | 11.0 %                   |
| Retail                 | 14.3 %                   |
|                        | <hr/>                    |
|                        | <b>27.8 %</b>            |
| <b>Virginia</b>        |                          |
| Multifamily            | 14.0 %                   |
| Office                 | 19.3 %                   |
| Retail                 | 6.9 %                    |
|                        | <hr/>                    |
|                        | <b>40.2 %</b>            |
| <b>Total Portfolio</b> | <b>100.0 %</b>           |



## Same-Store Portfolio and Overall Physical Occupancy Levels by Sector

| Sector                                   | Physical Occupancy - Same-Store Properties <sup>(1), (2)</sup> |              |              |              |              |
|--|--|--------------|--------------|--------------|--------------|
|  | 3/31/2016  | 12/31/2015   | 9/30/2015    | 6/30/2015    | 3/31/2015    |
| Multifamily (calculated on a unit basis) | 95.3%  | 94.4%        | 93.5%        | 95.1%        | 94.2%        |
| Multifamily                              | 94.5%  | 94.3%        | 93.2%        | 94.3%        | 93.6%        |
| Office                                   | 90.6%  | 90.4%        | 90.7%        | 90.8%        | 90.5%        |
| Retail                                   | 91.2%  | 91.5%        | 95.4%        | 94.1%        | 95.4%        |
| <b>Overall Portfolio</b>                 | <b>91.7%</b>   | <b>91.6%</b> | <b>92.5%</b> | <b>92.6%</b> | <b>92.5%</b> |

| Sector                                   | Physical Occupancy - All Properties <sup>(2)</sup> |              |              |              |              |
|--|--|--------------|--------------|--------------|--------------|
|  | 3/31/2016  | 12/31/2015   | 9/30/2015    | 6/30/2015    | 3/31/2015    |
| Multifamily (calculated on a unit basis) | 95.2%  | 93.9%        | 92.6%        | 92.3%        | 90.2%        |
| Multifamily                              | 94.5%  | 93.4%        | 92.3%        | 91.7%        | 89.5%        |
| Office                                   | 87.8%  | 87.6%        | 87.8%        | 87.6%        | 86.7%        |
| Retail                                   | 91.2%  | 91.5%        | 94.4%        | 92.9%        | 94.7%        |
| <b>Overall Portfolio</b>                 | <b>90.6%</b>                                       | <b>90.2%</b> | <b>90.7%</b> | <b>90.0%</b> | <b>89.5%</b> |

<sup>(1)</sup> Non same-store properties were:

Acquisitions:

Multifamily - The Wellington

Development/Redevelopment:

Multifamily - The Maxwell

Office - Silverline Center and The Army Navy Club Building

Sold properties classified as continuing operations:

Multifamily - Country Club Towers and Munson Hill Towers

Retail - Montgomery Village Center

<sup>(2)</sup> Physical occupancy is calculated as occupied square footage as a percentage of total square footage as of the last day of that period, except for the rows labeled "Multifamily (calculated on a unit basis)," on which physical occupancy is calculated as occupied units as a percentage of total available units as of the last day of that period..

**Same-Store Portfolio and Overall Economic Occupancy Levels by Sector**

| Sector                   | Economic Occupancy - Same-Store Properties <sup>(1)</sup> |              |              |              |              |
|--------------------------|---|--------------|--------------|--------------|--------------|
|                          | 3/31/2016   | 12/31/2015   | 9/30/2015    | 6/30/2015    | 3/31/2015    |
| Multifamily              | 94.4%   | 94.5%        | 95.0%        | 95.7%        | 94.8%        |
| Office                   | 90.1%   | 91.4%        | 91.1%        | 91.0%        | 90.7%        |
| Retail                   | 89.7%   | 92.0%        | 93.5%        | 94.0%        | 94.4%        |
| <b>Overall Portfolio</b> | <b>90.9%</b>  | <b>92.2%</b> | <b>92.4%</b> | <b>92.6%</b> | <b>92.3%</b> |

| Sector                   | Economic Occupancy - All Properties |              |              |              |              |
|--------------------------|-------------------------------------|--------------|--------------|--------------|--------------|
|                          | 3/31/2016                           | 12/31/2015   | 9/30/2015    | 6/30/2015    | 3/31/2015    |
| Multifamily              | 93.9%                               | 93.2%        | 92.7%        | 90.6%        | 88.4%        |
| Office                   | 86.9%                               | 88.3%        | 87.7%        | 87.2%        | 86.5%        |
| Retail                   | 89.7%                               | 91.1%        | 92.3%        | 92.9%        | 93.5%        |
| <b>Overall Portfolio</b> | <b>89.0%</b>                        | <b>90.0%</b> | <b>89.8%</b> | <b>89.0%</b> | <b>88.2%</b> |

<sup>(1)</sup> Non same-store properties were:

Acquisitions:

Multifamily - The Wellington

Development/Redevelopment:

Multifamily - The Maxwell

Office - Silverline Center and The Army Navy Club Building

Sold properties classified as continuing operations:

Multifamily - Country Club Towers and Munson Hill Towers

Retail - Montgomery Village Center

**Commercial Leasing Summary - New Leases**

|   | 1st Quarter 2016     |                     | 4th Quarter 2015     |                     | 3rd Quarter 2015     |                     | 2nd Quarter 2015     |                     | 1st Quarter 2015     |                     |
|---|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| <b>Gross Leasing Square Footage</b>                               |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | 32,249               |                     | 220,374              |                     | 93,389               |                     | 57,693               |                     | 61,141               |                     |
| Retail Centers  | 11,777               |                     | —                    |                     | 74,102               |                     | 35,095               |                     | 10,853               |                     |
| <b>Total</b>  | <b>44,026</b>        |                     | <b>220,374</b>       |                     | <b>167,491</b>       |                     | <b>92,788</b>        |                     | <b>71,994</b>        |                     |
| <b>Weighted Average Term (yrs)</b>                                |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | 7.7                  |                     | 6.5                  |                     | 6.8                  |                     | 6.8                  |                     | 7.5                  |                     |
| Retail Centers  | 9.8                  |                     | 0.0                  |                     | 10.2                 |                     | 9.6                  |                     | 11.0                 |                     |
| <b>Total</b>  | <b>8.3</b>           |                     | <b>6.5</b>           |                     | <b>8.3</b>           |                     | <b>7.8</b>           |                     | <b>8.0</b>           |                     |
| <b>Rental Rate Increases:</b>                                     | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         |
| <b>Rate on expiring leases</b>                                    |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 30.91             | \$ 31.78            | \$ 32.57             | \$ 33.76            | \$ 27.72             | \$ 28.67            | \$ 36.35             | \$ 38.06            | \$ 31.43             | \$ 33.14            |
| Retail Centers  | 11.93                | 12.04               | —                    | —                   | 22.32                | 22.77               | 23.77                | 25.30               | 41.57                | 41.85               |
| <b>Total</b>  | <b>\$ 25.83</b>      | <b>\$ 26.50</b>     | <b>\$ 32.57</b>      | <b>\$ 33.76</b>     | <b>\$ 25.33</b>      | <b>\$ 26.06</b>     | <b>\$ 31.59</b>      | <b>\$ 33.23</b>     | <b>\$ 32.96</b>      | <b>\$ 34.45</b>     |
| <b>Rate on new leases</b>   |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 40.60             | \$ 36.84            | \$ 39.45             | \$ 36.62            | \$ 36.46             | \$ 33.53            | \$ 41.61             | \$ 38.11            | \$ 35.39             | \$ 32.49            |
| Retail Centers  | 16.22                | 14.45               | —                    | —                   | 27.61                | 26.14               | 28.17                | 26.42               | 52.79                | 46.99               |
| <b>Total</b>  | <b>\$ 34.08</b>      | <b>\$ 30.85</b>     | <b>\$ 39.45</b>      | <b>\$ 36.62</b>     | <b>\$ 32.55</b>      | <b>\$ 30.26</b>     | <b>\$ 36.53</b>      | <b>\$ 33.69</b>     | <b>\$ 38.01</b>      | <b>\$ 34.68</b>     |
| <b>Percentage Increase</b>  |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | 31.4%                | 15.9%               | 21.1%                | 8.5%                | 31.6%                | 17.0%               | 14.5%                | 0.2%                | 12.6%                | (2.0)%              |
| Retail Centers  | 35.9%                | 20.0%               | —%                   | —%                  | 23.7%                | 14.8%               | 18.5%                | 4.4%                | 27.0%                | 12.3%               |
| <b>Total</b>  | <b>31.9%</b>         | <b>16.4%</b>        | <b>21.1%</b>         | <b>8.5%</b>         | <b>28.5%</b>         | <b>16.1%</b>        | <b>15.6%</b>         | <b>1.4%</b>         | <b>15.3%</b>         | <b>0.7%</b>         |
|   | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> |
| <b>Tenant Improvements</b>  |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 1,571,632         | \$ 48.73            | \$ 13,946,572        | \$ 63.29            | \$ 4,775,584         | \$ 51.14            | \$ 2,209,271         | \$ 38.29            | \$ 3,255,324         | \$ 53.24            |
| Retail Centers  | 203,276              | 17.26               | —                    | —                   | 5,220,923            | 70.46               | 592,351              | 16.88               | 353,335              | 32.56               |
| <b>Subtotal</b>   | <b>\$ 1,774,908</b>  | <b>\$ 40.31</b>     | <b>\$ 13,946,572</b> | <b>\$ 63.29</b>     | <b>\$ 9,996,507</b>  | <b>\$ 59.68</b>     | <b>\$ 2,801,622</b>  | <b>\$ 30.19</b>     | <b>\$ 3,608,659</b>  | <b>\$ 50.12</b>     |
| <b>Leasing Commissions and Incentives</b>                         |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 1,250,549         | \$ 38.78            | \$ 7,960,650         | \$ 36.12            | \$ 4,556,279         | \$ 48.79            | \$ 1,809,746         | \$ 31.37            | \$ 2,092,175         | \$ 34.22            |
| Retail Centers  | 212,402              | 18.04               | —                    | —                   | 1,649,704            | 22.26               | 592,483              | 16.88               | 754,661              | 69.53               |
| <b>Subtotal</b>   | <b>\$ 1,462,951</b>  | <b>\$ 33.23</b>     | <b>\$ 7,960,650</b>  | <b>\$ 36.12</b>     | <b>\$ 6,205,983</b>  | <b>\$ 37.05</b>     | <b>\$ 2,402,229</b>  | <b>\$ 25.89</b>     | <b>\$ 2,846,836</b>  | <b>\$ 39.54</b>     |
| <b>Tenant Improvements and Leasing Commissions and Incentives</b> |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 2,822,181         | \$ 87.51            | \$ 21,907,222        | \$ 99.41            | \$ 9,331,863         | \$ 99.93            | \$ 4,019,017         | \$ 69.66            | \$ 5,347,499         | \$ 87.46            |
| Retail Centers  | 415,678              | 35.30               | —                    | —                   | 6,870,627            | 92.72               | 1,184,834            | 33.76               | 1,107,996            | 102.09              |
| <b>Total</b>  | <b>\$ 3,237,859</b>  | <b>\$ 73.54</b>     | <b>\$ 21,907,222</b> | <b>\$ 99.41</b>     | <b>\$ 16,202,490</b> | <b>\$ 96.73</b>     | <b>\$ 5,203,851</b>  | <b>\$ 56.08</b>     | <b>\$ 6,455,495</b>  | <b>\$ 89.66</b>     |

**Commercial Leasing Summary - Renewal Leases**

|   | 1st Quarter 2016     |                     | 4th Quarter 2015     |                     | 3rd Quarter 2015     |                     | 2nd Quarter 2015     |                     | 1st Quarter 2015     |                     |
|---|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| <b>Gross Leasing Square Footage</b>                               |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | 193,275              |                     | 42,033               |                     | 191,599              |                     | 71,112               |                     | 135,134              |                     |
| Retail Centers  | 27,243               |                     | 32,594               |                     | 53,415               |                     | 95,048               |                     | 111,342              |                     |
| <b>Total</b>  | <b>220,518</b>       |                     | <b>74,627</b>        |                     | <b>245,014</b>       |                     | <b>166,160</b>       |                     | <b>246,476</b>       |                     |
| <b>Weighted Average Term (yrs)</b>                                |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | 7.1                  |                     | 6.6                  |                     | 2.8                  |                     | 3.9                  |                     | 4.8                  |                     |
| Retail Centers  | 11.6                 |                     | 3.3                  |                     | 4.4                  |                     | 5.8                  |                     | 5.4                  |                     |
| <b>Total</b>  | <b>7.6</b>           |                     | <b>5.1</b>           |                     | <b>3.1</b>           |                     | <b>4.9</b>           |                     | <b>5.1</b>           |                     |
| <b>Rental Rate Increases:</b>                                     | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         | <b>GAAP</b>          | <b>CASH</b>         |
| <b>Rate on expiring leases</b>                                    |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 36.53             | \$ 38.93            | \$ 35.61             | \$ 37.12            | \$ 35.23             | \$ 37.43            | \$ 30.91             | \$ 33.07            | \$ 35.26             | \$ 36.79            |
| Retail Centers  | 24.53                | 26.67               | 21.30                | 22.56               | 23.21                | 23.72               | 17.57                | 18.54               | 16.14                | 16.71               |
| <b>Total</b>  | <b>\$ 35.04</b>      | <b>\$ 37.42</b>     | <b>\$ 29.36</b>      | <b>\$ 30.76</b>     | <b>\$ 32.61</b>      | <b>\$ 34.44</b>     | <b>\$ 23.28</b>      | <b>\$ 24.76</b>     | <b>\$ 26.63</b>      | <b>\$ 27.72</b>     |
| <b>Rate on new leases</b>   |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 40.55             | \$ 37.12            | \$ 37.01             | \$ 34.12            | \$ 31.37             | \$ 30.29            | \$ 32.43             | \$ 31.37            | \$ 37.98             | \$ 35.99            |
| Retail Centers  | 41.49                | 35.39               | 25.08                | 23.50               | 26.63                | 26.10               | 22.49                | 21.25               | 17.06                | 16.64               |
| <b>Total</b>  | <b>\$ 40.66</b>      | <b>\$ 36.90</b>     | <b>\$ 31.80</b>      | <b>\$ 29.49</b>     | <b>\$ 30.34</b>      | <b>\$ 29.38</b>     | <b>\$ 26.75</b>      | <b>\$ 25.58</b>     | <b>\$ 28.53</b>      | <b>\$ 27.25</b>     |
| <b>Percentage Increase</b>  |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | 11.0%                | (4.7)%              | 3.9%                 | (8.1)%              | (11.0)%              | (19.1)%             | 4.9%                 | (5.1)%              | 7.7%                 | (2.2)%              |
| Retail Centers  | 69.2%                | 32.7 %              | 17.8%                | 4.2 %               | 14.7 %               | 10.0 %              | 28.0%                | 14.6 %              | 5.7%                 | (0.4)%              |
| <b>Total</b>  | <b>16.0%</b>         | <b>(1.4)%</b>       | <b>8.3%</b>          | <b>(4.1)%</b>       | <b>(7.0)%</b>        | <b>(14.7)%</b>      | <b>14.9%</b>         | <b>3.3 %</b>        | <b>7.2%</b>          | <b>(1.7)%</b>       |
|   | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> | <b>Total Dollars</b> | <b>\$ per Sq Ft</b> |
| <b>Tenant Improvements</b>  |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 6,945,781         | \$ 35.94            | \$ 1,580,078         | \$ 37.59            | \$ 580,967           | \$ 3.03             | \$ 423,589           | \$ 5.96             | \$ 550,948           | \$ 4.08             |
| Retail Centers  | 626,200              | 22.99               | —                    | —                   | 36,540               | 0.68                | 39,183               | 0.41                | 152,391              | 1.37                |
| <b>Subtotal</b>   | <b>\$ 7,571,981</b>  | <b>\$ 34.34</b>     | <b>\$ 1,580,078</b>  | <b>\$ 21.17</b>     | <b>\$ 617,507</b>    | <b>\$ 2.52</b>      | <b>\$ 462,772</b>    | <b>\$ 2.79</b>      | <b>\$ 703,339</b>    | <b>\$ 2.85</b>      |
| <b>Leasing Commissions and Incentives</b>                         |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$ 7,501,476         | \$ 38.82            | \$ 1,021,344         | \$ 24.30            | \$ 744,977           | \$ 3.89             | \$ 368,593           | \$ 5.19             | \$ 929,511           | \$ 6.88             |
| Retail Centers  | 802,685              | 29.47               | 59,302               | 1.82                | 119,946              | 2.25                | 199,976              | 2.10                | 243,602              | 2.19                |
| <b>Subtotal</b>   | <b>\$ 8,304,161</b>  | <b>\$ 37.65</b>     | <b>\$ 1,080,646</b>  | <b>\$ 14.48</b>     | <b>\$ 864,923</b>    | <b>\$ 3.53</b>      | <b>\$ 568,569</b>    | <b>\$ 3.43</b>      | <b>\$ 1,173,113</b>  | <b>\$ 4.76</b>      |
| <b>Tenant Improvements and Leasing Commissions and Incentives</b> |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Office Buildings  | \$14,447,257         | \$ 74.76            | \$ 2,601,422         | \$ 61.89            | \$ 1,325,944         | \$ 6.92             | \$ 792,182           | \$ 11.15            | \$ 1,480,459         | \$ 10.96            |
| Retail Centers  | 1,428,885            | 52.46               | 59,302               | 1.82                | 156,486              | 2.93                | 239,159              | 2.51                | 395,993              | 3.56                |
| <b>Total</b>  | <b>\$15,876,142</b>  | <b>\$ 71.99</b>     | <b>\$ 2,660,724</b>  | <b>\$ 35.65</b>     | <b>\$ 1,482,430</b>  | <b>\$ 6.05</b>      | <b>\$ 1,031,341</b>  | <b>\$ 6.22</b>      | <b>\$ 1,876,452</b>  | <b>\$ 7.61</b>      |

**10 Largest Tenants - Based on Annualized Commercial Income**

March 31, 2016

| 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                   | 57  | 5.47%  | 210,354                        | 3.31%  |
| Advisory Board Company                       | 2                   | 38  | 3.66%  | 199,878                        | 3.15%  |
| Engility Corporation                         | 1                   | 18  | 2.55%  | 134,126                        | 2.11%  |
| Squire Patton Boggs (USA) LLP <sup>(1)</sup> | 1                   | 13  | 2.41%  | 110,566                        | 1.74%  |
| Booz Allen Hamilton, Inc.                    | 1                   | 118   | 2.29%  | 222,989                        | 3.51%  |
| Epstein, Becker & Green, P.C.                | 1                   | 153   | 1.37%  | 55,318                         | 0.87%  |
| General Services Administration              | 3                   | 32  | 1.24%  | 52,282                         | 0.82%  |
| Hughes Hubbard & Reed LLP                    | 1                   | 23  | 1.18%  | 53,208                         | 0.84%  |
| Alexandria City School Board                 | 1                   | 158   | 1.18%  | 84,693                         | 1.33%  |
| Cozen O'Connor                               | 1                   | 1   | 1.14%  | 36,574                         | 0.58%  |
| <b>Total/Weighted Average</b>                |                     | 64  | <u>22.49%</u>  | <u>1,159,988</u>               | <u>18.26%</u>                                |

<sup>(1)</sup> The spaced leased to Squire Patton Boggs (USA) LLP is currently subleased to Advisory Board Company, who has signed an extension to make the lease coterminous with the remaining Advisory Board Company leases expiring on May 31, 2019.

**Industry Diversification**

March 31, 2016

| Industry Classification (NAICS)  | Annualized Base<br>Rental Revenue | Percentage of<br>Aggregate<br>Annualized Rent | Aggregate Rentable<br>Square Feet | Percentage of<br>Aggregate Square<br>Feet |
|--|-----------------------------------|---|-----------------------------------|---|
| <b>Office:</b>   |                                   |   |                                   |   |
| Professional, Scientific, and Technical Services                         | \$ 77,039,685                     | 50.72%  | 2,225,451                         | 52.66%                                    |
| Finance and Insurance  | 18,842,660                        | 12.40%  | 425,920                           | 10.08%                                    |
| Other Services (except Public Administration/Government)                 | 12,824,606                        | 8.44%   | 337,032                           | 7.97%                                     |
| Information (Broadcasting, Publishing, Telecommunications)               | 8,348,215                         | 5.49%   | 210,070                           | 4.97%                                     |
| Health Care and Social Assistance  | 8,014,608                         | 5.28%   | 268,196                           | 6.34%                                     |
| Educational Services   | 6,163,385                         | 4.06%   | 194,949                           | 4.61%                                     |
| Public Administration (Government)                                       | 5,756,584                         | 3.79%   | 160,345                           | 3.79%                                     |
| Wholesale Trade  | 4,883,016                         | 3.21%   | 119,735                           | 2.83%                                     |
| Administrative and Support and Waste Management and Remediation Services | 2,784,947                         | 1.83%   | 74,805                            | 1.77%                                     |
| Manufacturing  | 1,857,643                         | 1.22%   | 54,123                            | 1.28%                                     |
| Real Estate and Rental and Leasing                                       | 1,716,854                         | 1.13%   | 50,384                            | 1.19%                                     |
| Accommodation and Food Services  | 1,514,319                         | 1.00%   | 41,612                            | 0.98%                                     |
| Other  | 2,179,154                         | 1.43%   | 64,780                            | 1.53%                                     |
| <b>Total</b>   | <b>\$ 151,925,676</b>             | <b>100.00%</b>                                | <b>4,227,402</b>                  | <b>100.00%</b>                            |
| <b>Retail:</b>   |                                   |   |                                   |   |
| Wholesale Trade  | \$ 26,655,443                     | 57.83%  | 1,484,598                         | 71.22%                                    |
| Accommodation and Food Services  | 6,892,126                         | 14.95%  | 225,147                           | 10.80%                                    |
| Finance and Insurance  | 4,127,775                         | 8.96%   | 56,299                            | 2.70%                                     |
| Other Services (except Public Administration/Government)                 | 3,283,917                         | 7.12%   | 102,268                           | 4.91%                                     |
| Arts, Entertainment, and Recreation                                      | 1,782,327                         | 3.87%   | 103,649                           | 4.97%                                     |
| Health Care and Social Assistance  | 1,173,799                         | 2.55%   | 31,602                            | 1.52%                                     |
| Manufacturing  | 533,904                           | 1.16%   | 17,547                            | 0.84%                                     |
| Educational Services   | 415,209                           | 0.90%   | 25,598                            | 1.23%                                     |
| Information (Broadcasting, Publishing, Telecommunications)               | 350,495                           | 0.76%   | 8,347                             | 0.40%                                     |
| Other  | 876,011                           | 1.90%   | 29,350                            | 1.41%                                     |
| <b>Total</b>   | <b>\$ 46,091,006</b>              | <b>100.00%</b>                                | <b>2,084,405</b>                  | <b>100.00%</b>                            |

**Lease Expirations**

March 31, 2016

| Year                | Number of Leases | Rentable Square Feet | Percent of Rentable Square Feet | Annualized Rent *     | Average Rental Rate | Percent of Annualized Rent * |
|---------------------|------------------|----------------------|---------------------------------|-----------------------|---------------------|------------------------------|
| <b>Office:</b>      |                  |                      |                                 |                       |                     |                              |
| 2016                | 79               | 253,470              | 5.55%                           | \$ 9,798,345          | \$ 38.66            | 5.30%                        |
| 2017                | 94               | 600,182              | 13.13%                          | 23,025,813            | 38.36               | 12.46%                       |
| 2018                | 91               | 457,959              | 10.02%                          | 17,193,036            | 37.54               | 9.30%                        |
| 2019                | 89               | 702,098              | 15.36%                          | 27,141,033            | 38.66               | 14.69%                       |
| 2020                | 86               | 572,154              | 12.52%                          | 24,304,548            | 42.48               | 13.15%                       |
| 2021 and thereafter | 225              | 1,984,814            | 43.42%                          | 83,313,537            | 41.98               | 45.10%                       |
|                     | <u>664</u>       | <u>4,570,677</u>     | <u>100.00%</u>                  | <u>\$ 184,776,312</u> | <u>40.43</u>        | <u>100.00%</u>               |
| <b>Retail:</b>      |                  |                      |                                 |                       |                     |                              |
| 2016                | 14               | 66,633               | 3.04%                           | \$ 2,183,992          | 32.78               | 4.10%                        |
| 2017                | 44               | 256,212              | 11.70%                          | 6,901,420             | 26.94               | 12.95%                       |
| 2018                | 38               | 336,934              | 15.38%                          | 4,966,988             | 14.74               | 9.32%                        |
| 2019                | 32               | 158,213              | 7.22%                           | 4,477,053             | 28.30               | 8.40%                        |
| 2020                | 37               | 407,969              | 18.62%                          | 7,363,213             | 18.05               | 13.82%                       |
| 2021 and thereafter | 122              | 964,686              | 44.04%                          | 27,400,923            | 28.40               | 51.41%                       |
|                     | <u>287</u>       | <u>2,190,647</u>     | <u>100.00%</u>                  | <u>\$ 53,293,589</u>  | <u>24.33</u>        | <u>100.00%</u>               |
| <b>Total:</b>       |                  |                      |                                 |                       |                     |                              |
| 2016                | 93               | 320,103              | 4.73%                           | 11,982,337            | 37.43               | 5.03%                        |
| 2017                | 138              | 856,394              | 12.67%                          | 29,927,233            | 34.95               | 12.57%                       |
| 2018                | 129              | 794,893              | 11.76%                          | 22,160,024            | 27.88               | 9.31%                        |
| 2019                | 121              | 860,311              | 12.72%                          | 31,618,086            | 36.75               | 13.28%                       |
| 2020                | 123              | 980,123              | 14.50%                          | 31,667,761            | 32.31               | 13.30%                       |
| 2021 and thereafter | 347              | 2,949,500            | 43.62%                          | 110,714,460           | 37.54               | 46.51%                       |
|                     | <u>951</u>       | <u>6,761,324</u>     | <u>100.00%</u>                  | <u>\$ 238,069,901</u> | <u>35.21</u>        | <u>100.00%</u>               |

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

**Schedule of Properties**

March 31, 2016

| <b>PROPERTIES</b>        | <b>LOCATION</b>   | <b>YEAR ACQUIRED</b> | <b>YEAR CONSTRUCTED</b> | <b>NET RENTABLE SQUARE FEET</b> |
|--------------------------|-------------------|----------------------|-------------------------|---------------------------------|
| <u>Office Buildings</u>  |                   |                      |                         |                                 |
| 515 King Street          | Alexandria, VA    | 1992                 | 1966                    | 75,000                          |
| Courthouse Square        | Alexandria, VA    | 2000                 | 1979                    | 118,000                         |
| Braddock Metro Center    | Alexandria, VA    | 2011                 | 1985                    | 348,000                         |
| 1600 Wilson Boulevard    | Arlington, VA     | 1997                 | 1973                    | 169,000                         |
| Fairgate at Ballston     | Arlington, VA     | 2012                 | 1988                    | 141,000                         |
| Monument II              | Hemdon, VA        | 2007                 | 2000                    | 207,000                         |
| 925 Corporate Drive      | Stafford, VA      | 2010                 | 2007                    | 134,000                         |
| 1000 Corporate Drive     | Stafford, VA      | 2010                 | 2009                    | 136,000                         |
| Silverline Center        | Tysons, VA        | 1997                 | 1972/1986/1999/2014     | 529,000                         |
| John Marshall II         | Tysons, VA        | 2011                 | 1996/2010               | 223,000                         |
| 51 Monroe Street         | Rockville, MD     | 1979                 | 1975                    | 223,000                         |
| 6110 Executive Boulevard | Rockville, MD     | 1995                 | 1971                    | 203,000                         |
| 600 Jefferson Plaza      | Rockville, MD     | 1999                 | 1985                    | 113,000                         |
| One Central Plaza        | Rockville, MD     | 2001                 | 1974                    | 268,000                         |
| West Gude Drive          | Rockville, MD     | 2006                 | 1984/1986/1988          | 277,000                         |
| Wayne Plaza              | Silver Spring, MD | 2000                 | 1970                    | 99,000                          |
| 1901 Pennsylvania Avenue | Washington, DC    | 1977                 | 1960                    | 101,000                         |
| 1220 19th Street         | Washington, DC    | 1995                 | 1976                    | 103,000                         |
| 1776 G Street            | Washington, DC    | 2003                 | 1979                    | 266,000                         |
| 2000 M Street            | Washington, DC    | 2007                 | 1971                    | 231,000                         |
| 2445 M Street            | Washington, DC    | 2008                 | 1986                    | 290,000                         |
| 1140 Connecticut Avenue  | Washington, DC    | 2011                 | 1966                    | 183,000                         |
| 1227 25th Street         | Washington, DC    | 2011                 | 1988                    | 135,000                         |
| Army Navy Club Building  | Washington, DC    | 2014                 | 1912/1987               | 108,000                         |
| 1775 Eye Street          | Washington, DC    | 2014                 | 1964                    | 186,000                         |
| Subtotal                 |                   |                      |                         | <u>4,866,000</u>                |



**Schedule of Properties (continued)**

March 31, 2016

| <b>PROPERTIES</b>           | <b>LOCATION</b> | <b>YEAR ACQUIRED</b> | <b>YEAR CONSTRUCTED</b> | <b>NET RENTABLE SQUARE FEET</b> |
|-----------------------------|-----------------|----------------------|-------------------------|---------------------------------|
| <b>Retail Centers</b>       |                 |                      |                         |                                 |
| Bradlee Shopping Center     | Alexandria, VA  | 1984                 | 1955                    | 171,000                         |
| Shoppes of Foxchase         | Alexandria, VA  | 1994                 | 1960/2006               | 134,000                         |
| 800 S. Washington Street    | Alexandria, VA  | 1998/2003            | 1955/1959               | 46,000                          |
| Concord Centre              | Springfield, VA | 1973                 | 1960                    | 76,000                          |
| Gateway Overlook            | Columbia, MD    | 2010                 | 2007                    | 220,000                         |
| Frederick County Square     | Frederick, MD   | 1995                 | 1973                    | 227,000                         |
| Frederick Crossing          | Frederick, MD   | 2005                 | 1999/2003               | 295,000                         |
| Centre at Hagerstown        | Hagerstown, MD  | 2002                 | 2000                    | 332,000                         |
| Olney Village Center        | Olney, MD       | 2011                 | 1979/2003               | 199,000                         |
| Randolph Shopping Center    | Rockville, MD   | 2006                 | 1972                    | 82,000                          |
| Montrose Shopping Center    | Rockville, MD   | 2006                 | 1970                    | 145,000                         |
| Takoma Park                 | Takoma Park, MD | 1963                 | 1962                    | 51,000                          |
| Westminster                 | Westminster, MD | 1972                 | 1969                    | 150,000                         |
| Wheaton Park                | Wheaton, MD     | 1977                 | 1967                    | 74,000                          |
| Chevy Chase Metro Plaza     | Washington, DC  | 1985                 | 1975                    | 50,000                          |
| Spring Valley Retail Center | Washington, DC  | 2014                 | 1941/1950               | 75,000                          |
| Subtotal                    |                 |                      |                         | <u>2,327,000</u>                |

**Schedule of Properties (continued)**

March 31, 2016

| <b>PROPERTIES</b>                      | <b>LOCATION</b>  | <b>YEAR ACQUIRED</b> | <b>YEAR CONSTRUCTED</b> | <b>NET RENTABLE SQUARE FEET <sup>(1)</sup></b> |
|--|------------------|----------------------|-------------------------|--|
| <u>Multifamily Buildings / # units</u> |                  |                      |                         |  |
| Clayborne / 74                         | Alexandria, VA   | 2008                 | 2008                    | 60,000   |
| Park Adams / 200                       | Arlington, VA    | 1969                 | 1959                    | 173,000  |
| Bennett Park / 224                     | Arlington, VA    | 2007                 | 2007                    | 214,000  |
| The Paramount / 135                    | Arlington, VA    | 2013                 | 1984                    | 141,000  |
| The Maxwell / 163                      | Arlington, VA    | 2014                 | 2014                    | 139,000  |
| The Wellington / 711                   | Arlington, VA    | 2015                 | 1960                    | 842,000  |
| Roosevelt Towers / 191                 | Falls Church, VA | 1965                 | 1964                    | 170,000  |
| The Ashby at McLean / 256              | McLean, VA       | 1996                 | 1982                    | 274,000  |
| Bethesda Hill Apartments / 195         | Bethesda, MD     | 1997                 | 1986                    | 225,000  |
| Walker House Apartments / 212          | Gaithersburg, MD | 1996                 | 1971/2003               | 157,000  |
| 3801 Connecticut Avenue / 307          | Washington, DC   | 1963                 | 1951                    | 178,000  |
| Kenmore Apartments / 374               | Washington, DC   | 2008                 | 1948                    | 268,000  |
| Yale West / 216                        | Washington, DC   | 2014                 | 2011                    | 173,000  |
| Subtotal (3,258 units)                 |                  |                      |                         | <u>3,014,000</u>                               |
| <b>TOTAL</b>                           |                  |                      |                         | <b><u>10,207,000</u></b>                       |

<sup>(1)</sup> Multifamily buildings are presented in gross square feet.

## Supplemental Definitions

March 31, 2016

**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, severance expense, relocation expense, acquisition and structuring expenses 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, severance expense, relocation expense, acquisition and structuring expenses 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.

**NAREIT Funds from operations ("NAREIT FFO")** is defined by 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, impairment of depreciable real estate and real estate depreciation and amortization. We consider NAREIT 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 NAREIT FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs. NAREIT FFO is a non-GAAP measure.

**Core Funds From Operations ("Core FFO")** is calculated by adjusting NAREIT 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) expenses related to acquisition and structuring activities, (3) executive transition costs and severance expense related to corporate reorganization and related to executive retirements or resignations, (4) property impairments and gains or losses on sale, not already excluded from NAREIT FFO, as appropriate, and (5) relocation expense. 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 NAREIT FFO (1) recurring expenditures, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream (excluding items contemplated prior to acquisition or associated with development / redevelopment of a property) 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, (4) property impairments and gains or losses on sale, not already excluded from FAD, as appropriate, and (5) relocation expense. 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.

**Net Operating Income ("NOI")** is a non-GAAP measure defined as real estate rental revenue less real estate expenses. 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, real estate impairment and gain or loss on extinguishment of debt. We also present NOI on a cash basis ("Cash NOI") which is calculated as NOI less the impact of straightlining of rent and amortization of market intangibles. 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.

**Physical occupancy** is calculated as occupied square footage as a percentage of total square footage as of the last day of that period. Multifamily unit basis physical occupancy is calculated as occupied units as a percentage of total units 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.