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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 14, 2019

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

MARYLAND	001-06622	53-0261100
(State of incorporation)	(Commission File Number)	(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

and

Item 7.01 Regulation FD Disclosure.

A press release issued by the Registrant on February 14, 2019 regarding earnings for the three and twelve months ended December 31, 2018, is attached as Exhibit 99.1. Also, certain supplemental information not included in the press release is attached as Exhibit 99.2. This information is being furnished pursuant to Item 7.01 and Item 2.02 of Form 8-K. This information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any Securities Act registration statements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release issued February 14, 2019 regarding earnings for the three and twelve months ended December 31, 2018
99.2	Certain supplemental information not included in the press release

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST
(Registrant)

By: /s/ W. Drew Hammond
(Signature)

W. Drew Hammond
Vice President, Chief Accounting Officer

February 14, 2019
(Date)

WASH★REIT

FOR IMMEDIATE RELEASE

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February 14, 2019

WASHINGTON REAL ESTATE INVESTMENT TRUST ANNOUNCES FOURTH QUARTER AND YEAR-END OPERATING RESULTS FOR 2018

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 and year ended December 31, 2018:

Full-Year and Fourth Quarter 2018 Financial Results and Highlights

Net Income and NAREIT Funds from Operations (FFO) [(1)]

- Reported net income attributable to controlling interests of $25.6 million, or $0.32 per diluted share, for the year, compared to $19.7 million, or $0.25 per diluted share, in 2017
- Reported net income attributable to controlling interests of $5.7 million, or $0.07 per diluted share, for the quarter, compared to $2.3 million, or $0.03 per diluted share, for fourth quarter 2017
- Reported NAREIT FFO of $146.2 million, or $1.84 per diluted share, for the year, compared to $141.0 million, or $1.83 per diluted share, in 2017
- Reported NAREIT FFO of $36.8 million, or $0.46 per diluted share, for the quarter, compared to $35.4 million, or $0.45 per diluted share, in fourth quarter 2017

Core FFO and Operational Performance:

- Reported Core FFO of $1.86 per diluted share for the year, a $0.04 increase over Core FFO of $1.82 per diluted share in 2017
- Reported Core FFO of $0.46 per diluted share for the quarter, a $0.02 increase over Core FFO of $0.44 per diluted share in fourth quarter 2017
- Grew same-store[(2)] Net Operating Income (NOI)[(3)] by 3.1% and cash NOI by 3.7% for the year
- Grew office same-store NOI by 4.5% and cash NOI by 5.5% for the year
- Grew multifamily same-store NOI and cash NOI by 3.3% for the year
- Grew retail same-store NOI by 0.7% and cash NOI by 1.2% for the year

Other Financial Metrics:

- Ended the year with a net debt to adjusted EBITDA [(4)] ratio of 6.2x
- Ended the year with a Core FAD [(5)] payout ratio of 78.4%

"We delivered another year of solid operational performance with healthy same-store NOI growth and recycled office assets to further de-risk the portfolio while implementing a differentiated leasing strategy branded Space+ to maximize value-creation," said Paul T. McDermott, President and Chief Executive Officer. "As a result, we have entered 2019 with a higher-quality, better-located portfolio that is well-suited to meet the fastest-growing segments of demand in the DC Metro region: flexible space in office and value-oriented apartments in multifamily. We are working hard to lease our well-positioned commercial availabilities and to capitalize on demand opportunities, including those emerging from Amazon-related growth, with the goal of creating long-term value for our shareholders."

Operating Results

The Company's overall portfolio NOI for the fourth quarter was $54.6 million, compared to $51.9 million in the same period one year ago and $53.9 million in the third quarter of 2018. The sequential increase in NOI was primarily due to lower property operating expenses across the portfolio as well as higher reimbursements and lease termination fees in office, partially offset by higher real estate taxes across the portfolio.

Overall portfolio ending occupancy [(6)] at year-end was 93.1%, compared to 91.8% at year-end 2017, driven by occupancy gains across the portfolio.

Same-store portfolio NOI increased by 3.1% for the full year and 4.5% for the fourth quarter on a year-over-year basis. Same-store portfolio ending occupancy at year-end was 93.0%, compared to 92.6% at year-end 2017.

Same-store portfolio by sector:

- **Office: 43% of 2018 Same-Store NOI -** Office properties' same-store NOI increased by 4.5% and cash NOI increased by 5.5% for the full year. Same-store NOI increased by 5.4% and cash NOI increased by 7.0% for the fourth quarter compared to the same period a year ago. The year-over-year increase in full-year and fourth quarter office same-store NOI was primarily driven by new lease commencements, annual rent increases and higher recoveries, with these being partially offset by higher operating expenses. Same-store ending occupancy decreased by 30 basis points year-over-year and 40 basis points sequentially to 91.7% due to a few anticipated tenant move-outs in the portfolio. The overall office portfolio was 92.3% occupied and 93.6% leased at year-end.

- **Multifamily: 31% of 2018 Same-Store NOI -** Multifamily properties' same-store NOI and cash NOI increased by 3.3% for the full year. Same-store NOI increased by 4.2% and cash NOI increased by 4.1% for the fourth quarter on a year-over-year basis. Same-store ending occupancy on a unit basis decreased by 20 basis points year-over-year and 50 basis points sequentially to 94.8% as the Company focused on optimizing the portfolio's rental income growth potential by focusing on rental rate growth. In the fourth quarter, the overall multifamily portfolio achieved 240 basis points of year-over-year rental growth, with Class B average monthly rent per unit growing by 260 basis points year-over-year. The overall multifamily portfolio was 94.8% occupied and 96.5% leased, on a unit basis, at year-end.

- **Retail: 26% of 2018 Same-Store NOI -** Retail properties' same-store NOI increased by 0.7% and cash NOI increased by 1.2% for the full year. Same-store NOI increased by 3.4% and cash NOI increased by 3.5% year-over-year in the fourth quarter due to new lease commencements, higher percentage rent income and higher specialty leasing as well as lower operating expenses compared to the same period a year ago. Same-store ending occupancy increased by 70 basis points year-over-year to 91.9% but declined by 240 basis points sequentially due to seasonally lower levels of specialty leasing relative to third quarter 2018. The retail portfolio was 91.9% occupied and 92.6% leased at year-end.

Leasing Activity

During full-year 2018, Washington REIT signed new and renewal commercial leases as follows (all dollar amounts are on a per square foot basis):

	Square Feet	Weighted Average Term (in years)	Weighted Average Free Rent Period (in months)	Weighted Average Rental Rates	Weighted Average Rental Rate % Increase	Tenant Improvements	Leasing Commissions
Office	325,000	5.7	5.0	$ 49.22	10.3%	$ 40.49	$ 14.37
Retail	307,000	5.5	0.6	18.48	5.8%	3.52	3.02
Total	632,000	5.6	3.9	34.31	9.0%	22.56	8.86

During the fourth quarter, Washington REIT signed commercial leases totaling 153,000 square feet, including 52,000 square feet of new leases and 101,000 square feet of renewal leases, as follows (all dollar amounts are on a per square foot basis):

	Square Feet	Weighted Average Term (in years)	Weighted Average Free Rent Period (in months)	Weighted Average Rental Rates	Weighted Average Rental Rate % Increase	Tenant Improvements	Leasing Commissions
New:							
Office	35,000	4.8	3.9	$ 46.68	5.2 %	$ 43.81	$ 10.57
Retail	17,000	7.2	5.9	19.82	-11.9 %	8.51	9.31
Total	52,000	5.6	4.2	37.69	1.7 %	31.99	10.15
Renewal:							
Office	90,000	6.9	6.2	$ 57.59	13.6 %	$ 51.26	$ 20.77
Retail	11,000	7.3	0.1	72.98	15.2 %	1.39	17.32
Total	101,000	7.0	5.3	59.23	13.8 %	45.94	20.41

The fourth quarter weighted average rental rate for new retail leases decreased due to two leases signed with service providers that are expected to further improve the merchandising mix and traffic at two of the Company's shopping centers.

Earnings Guidance

2019 Core FFO guidance is expected to range from $1.74 to $1.78 per fully diluted share. The following assumptions are included in this guidance:

- Same-store NOI change is projected to range from -0.50% to 0.50%
  - Excluding Watergate 600, same-store NOI growth is projected to range from 1.75% to 2.75%
  - The inclusion of Watergate 600 is the only addition to the same store pool in 2019
  - The Company expects the top two floors of Watergate 600 to be built out for a new tenant in 2019 and for rents to commence in January 2020
- Same-store office NOI is projected to decline by a range of -5.25% to -4.25%
  - Excluding Watergate 600, same-store office NOI change is projected to range from -0.50% to 0.50%
- Same-store multifamily NOI growth is projected to range from 3.75% to 4.25%
- Same-store retail NOI growth is projected to range from 3.75% to 4.25%
- Dispositions are projected to range from $175 million to $200 million
- There are no acquisitions assumed in guidance
- Development expenditures are projected to range from $65 to $70 million
- The annual impact of the adoption of the new lease accounting standard ASC 842 as of January 1, 2019 is projected to be between $1 million and $1.50 million in 2019
- General and administrative expense is projected to be approximately $18 to $18.75 million
- Interest expense is projected to be approximately $51 to $51.75 million
- Non same-store office NOI is projected to range between $16.75 to $17.25 million

The non same-store office pool in 2019 consists of Arlington Tower, which was acquired in 2018.

Washington REIT's 2019 Core FFO guidance is based on a number of factors, many of which are outside the Company's control and all of which are subject to change. Washington REIT may change the guidance provided during the year as actual and anticipated results vary from these assumptions.

2019 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, 2019, reflecting the dispositions assumptions above, is as follows:

	Low	High
Net income attributable to the controlling interests per diluted share [a]	$ 0.21	$ 0.25
Real estate depreciation and amortization [a]	1.53	1.53
NAREIT FFO per diluted share	1.74	1.78
Core adjustments	—	—
Core FFO per diluted share	$ 1.74	$ 1.78

[a] Does not include any impact from future acquisitions or any additional dispositions during the year.

Dividends

On January 4, 2019, 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 March 29, 2019 to shareholders of record on March 15, 2019.

Conference Call Information

The Conference Call for Full Year and Fourth Quarter 2018 Earnings is scheduled for Friday, February 15, 2019 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 March 1, 2019 at 11:00 P.M. Eastern time. Instant replay access information is as follows:

USA Toll Free Number: 1-877-481-4010
International Toll Number: 1-919-882-2331
Conference ID: 41509

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. Online playback of the webcast will be available for two weeks following the Conference Call.

About Washington REIT

Washington REIT owns and operates uniquely positioned real estate assets in the Washington D.C. market. Backed by decades of experience, expertise and ambition, we create value by transforming insights into strategy and strategy into action. Our portfolio of 48 properties includes approximately 6.1 million square feet of commercial space and 4,268 multifamily apartment units. These 48 properties consist of 19 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 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 relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Washington REIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to the risks associated with the ownership of real estate in general and our real estate assets in particular; the economic health of the greater Washington Metro region; fluctuations in interest rates; reductions in or actual or threatened changes to the timing of federal government spending; the risks related to use of third-party providers and joint venture partners; the ability to control our operating expenses; the economic health of our tenants; the supply of competing properties; shifts away from brick and mortar stores to e-commerce; the availability and terms of financing and capital and the general volatility of securities markets; compliance with applicable laws, including those concerning the environment and access by persons with disabilities; terrorist attacks or actions and/or cyber attacks; weather conditions and natural disasters; ability to maintain key personnel; failure to qualify and maintain our qualification as a REIT and the risks of changes in laws affecting REITs; and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2017 Form 10-K and subsequent Quarterly Reports on Form 10-Q. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance.We undertake no obligation to update our forward-looking statements or risk factors or risk factors to reflect new information, future events, or otherwise.

(1) Funds From Operations (“FFO”) - NAREIT FFO is a widely used measure of operating performance for real estate companies. We provide NAREIT FFO as a supplemental measure to net income calculated in accordance with GAAP. Although NAREIT FFO is a widely used measure of operating performance for REITs, NAREIT FFO does not represent 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. In addition, NAREIT FFO does not represent cash generated from operating activities in accordance with GAAP, nor does it represent cash available to pay distributions and should not be considered as an alternative to cash flow from operating activities, determined in accordance with GAAP, as a measure of our liquidity. In its 2018 NAREIT White Paper Restatement, the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”) defines NAREIT FFO as net income (computed in accordance with GAAP) excluding gains (or losses) associated with sales of properties, impairments of depreciable real estate, and real estate depreciation and amortization. We consider NAREIT FFO to be a standard supplemental measure for 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. Our NAREIT FFO may not be comparable to FFO reported by other REITs. These other REITs may not define the term in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently.

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, casualty gains, 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.

(2) For purposes of evaluating comparative operating performance, we categorize our properties as “same-store”, “non-same-store” or discontinued operations. Same-store properties include properties that were owned for the entirety of the years being compared, and exclude properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared. We define development properties as those for which we have planned or ongoing major construction activities on existing or acquired land pursuant to an authorized development plan. We consider a property's development activities to be complete when the property is ready for its intended use. The property is categorized as same-store when it has been ready for its intended use for the entirety of the years being compared. We define redevelopment properties as those for which have planned or ongoing significant development and construction activities on existing or acquired buildings pursuant to an authorized plan, which has an impact on current operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. We categorize a redevelopment property as same-store when redevelopment activities have been complete for the majority of each year being compared.

(3) 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 or loss 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 straight-lining of rent and amortization of market intangibles. We believe that NOI and cash NOI are useful performance measures because, when compared across periods, they reflect the impact on operations of trends in occupancy rates, rental rates and operating costs on an unleveraged basis, providing perspective not immediately apparent from net income. NOI [and cash NOI] excludes certain components from net income in order to provide results more closely related to a property’s results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. As a result of the foregoing, we provide each of NOI and cash NOI as a supplement to net income, calculated in accordance with GAAP. Neither represents net income or income from continuing operations, in either case calculated in accordance with GAAP. As such, NOI and cash NOI should not be considered alternatives to these measures as an indication of our operating performance.

(4) Net Debt to Adjusted EBITDA represents net debt as of period end divided by adjusted EBITDA for the period, as annualized (i.e. three months periods are multiplied by four) or on a trailing 12 month basis. We define net debt as the total outstanding debt reported as per our consolidated balance sheets less cash and cash equivalents at the end of the period. Adjusted EBITDA is earnings before interest expense, taxes, depreciation,

amortization, gain/loss on sale of real estate, casualty gain/loss, real estate impairment, gain/loss on extinguishment of debt, severance expense, relocation expense, acquisition and structuring expense and gain from non-disposal activities. We consider Adjusted EBITDA to be an appropriate 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 and Net Debt to Adjusted EBITDA are a non-GAAP measures.

(5) 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 performance 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, casualty gains and losses, 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 performance measure of Washington REIT's ability to incur and service debt, and distribute dividends to its shareholders. Core FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

The Core FAD payout ratio is calculated by dividing dividends declared per share by Core FAD per diluted share for a given reporting period.

(6) Ending Occupancy is calculated as occupied square footage as a percentage of total square footage as of the last day of that period.

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

	Ending Occupancy			
	Same-Store Properties December 31,		All Properties December 31,	
	2018	2017	2018	2017
Multifamily	94.8%	94.1%	94.8%	94.1%
Office	91.7%	92.0%	92.3%	90.1%
Retail	91.9%	91.2%	91.9%	91.2%
Overall Portfolio	93.0%	92.6%	93.1%	91.8%

(i) Same-store properties include properties that were owned for the entirety of the years being compared, and exclude properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared. We define development properties as those for which we have planned or ongoing major construction activities on existing or acquired land pursuant to an authorized development plan. We consider a property's development activities to be complete when the property is ready for its intended use. The property is categorized as same-store when it has been ready for its intended use for the entirety of the years being compared. We define redevelopment properties as those for which we have planned or ongoing significant development and construction activities on existing or acquired buildings pursuant to an authorized plan, which has an impact on current operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. We categorize a redevelopment property as same-store when redevelopment activities have been complete for the majority of each year being compared. For Q4 2018 and Q4 2017, same-store properties exclude:

Acquisitions:
    Office - Arlington Tower and Watergate 600
Sold properties:
    Multifamily - Walker House
    Office - Braddock Metro Center and 2445 M Street

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

	Quarter Ended December 31,		Year Ended December 31,	
OPERATING RESULTS	**2018**	**2017**	**2018**	**2017**
Revenue				
Real estate rental revenue	$ 82,901	$ 81,302	$ 336,890	$ 325,078
Expenses				
Real estate expenses	28,255	29,450	116,230	115,650
Depreciation and amortization	31,109	28,785	121,228	112,056
Real estate impairment	—	28,152	1,886	33,152
General and administrative	5,352	5,868	22,089	22,580
	64,716	92,255	261,433	283,438
Other operating income				
Gain on sale of real estate	—	24,915	2,495	24,915
Real estate operating income	18,185	13,962	77,952	66,555
Other income (expense):				
Interest expense	(12,497)	(11,900)	(51,144)	(47,534)
Other income	—	298	—	507
Loss on extinguishment of debt	—	—	(1,178)	—
Income tax (expense) benefit	—	(23)	—	84
	(12,497)	(11,625)	(52,322)	(46,943)
Net income	5,688	2,337	25,630	19,612
Less: Net loss attributable to noncontrolling interests in subsidiaries	—	—	—	56
Net income attributable to the controlling interests	$ 5,688	$ 2,337	$ 25,630	$ 19,668
Net income	$ 5,688	$ 2,337	$ 25,630	$ 19,612
Depreciation and amortization	31,109	28,785	121,228	112,056
Real estate impairment	—	28,152	1,886	33,152
Gain on sale of depreciable real estate	—	(23,838)	(2,495)	(23,838)
NAREIT funds from operations[1]	$ 36,797	$ 35,436	$ 146,249	$ 140,982
Non-cash loss on extinguishment of debt	—	—	1,178	—
Tenant improvements and leasing incentives	(10,730)	(7,788)	(23,535)	(18,182)
External and internal leasing commissions capitalized	(3,556)	(1,741)	(5,856)	(7,405)
Recurring capital improvements	(2,110)	(4,455)	(3,954)	(6,838)
Straight-line rents, net	(959)	(1,238)	(4,343)	(4,380)
Non-cash fair value interest expense	(214)	(221)	(865)	(970)
Non real estate depreciation & amortization of debt costs	989	943	3,887	3,537
Amortization of lease intangibles, net	372	436	1,842	2,431
Amortization and expensing of restricted share and unit compensation	1,682	1,211	6,746	4,772
Funds available for distribution[4]	$ 22,271	$ 22,583	$ 121,349	$ 113,947

		Quarter Ended December 31,		Year Ended December 31,	
Per share data:		**2018**	**2017**	**2018**	**2017**
Net income attributable to the controlling interests	(Basic)	$ 0.07	$ 0.03	$ 0.32	$ 0.25
	(Diluted)	$ 0.07	$ 0.03	$ 0.32	$ 0.25
NAREIT funds from operations	(Basic)	$ 0.46	$ 0.45	$ 1.85	$ 1.83
	(Diluted)	$ 0.46	$ 0.45	$ 1.84	$ 1.83
Dividends declared		$ 0.30	$ 0.30	$ 1.20	$ 1.20
Weighted average shares outstanding – basic		79,748	78,386	78,960	76,820
Weighted average shares outstanding – diluted		79,760	78,478	79,042	76,935

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

	December 31, 2018	December 31, 2017
Assets		
Land	$ 614,659	$ 588,025
Income producing property	2,271,926	2,113,977
	2,886,585	2,702,002
Accumulated depreciation and amortization	(770,535)	(683,692)
Net income producing property	2,116,050	2,018,310
Properties under development or held for future development	87,231	54,422
Total real estate held for investment, net	2,203,281	2,072,732
Investment in real estate sold or held for sale, net	—	68,534
Cash and cash equivalents	6,016	9,847
Restricted cash	1,624	2,776
Rents and other receivables, net of allowance for doubtful accounts of $3,561 and $2,426 respectively	73,861	69,766
Prepaid expenses and other assets	132,322	125,087
Other assets related to properties sold or held for sale	—	10,684
Total assets	$ 2,417,104	$ 2,359,426
Liabilities		
Notes payable, net	$ 995,397	$ 894,358
Mortgage notes payable, net	59,792	95,141
Lines of credit	188,000	166,000
Accounts payable and other liabilities	59,567	61,565
Dividend payable	24,022	23,581
Advance rents	11,736	12,487
Tenant security deposits	10,112	9,149
Other liabilities related to properties sold or held for sale	—	1,809
Total liabilities	1,348,626	1,264,090
Equity		
Shareholders' equity		
Preferred shares; $0.01 par value; 10,000 shares authorized; no shares issued or outstanding	—	—
Shares of beneficial interest, $0.01 par value; 100,000 shares authorized; 79,910 and 78,510 shares issued and outstanding, respectively	799	785
Additional paid-in capital	1,526,574	1,483,980
Distributions in excess of net income	(469,085)	(399,213)
Accumulated other comprehensive income	9,839	9,419
Total shareholders' equity	1,068,127	1,094,971
Noncontrolling interests in subsidiaries	351	365
Total equity	1,068,478	1,095,336
Total liabilities and equity	$ 2,417,104	$ 2,359,426

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

Quarter Ended December 31, 2018	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income(3)	$ 14,803	$ 20,056	$ 11,917	$ 46,776
Add: Net operating income from non-same-store properties(3)	—	7,870	—	7,870
Total net operating income(2)	$ 14,803	$ 27,926	$ 11,917	$ 54,646
Add/(deduct):				
Interest expense				(12,497)
Depreciation and amortization				(31,109)
General and administrative expenses				(5,352)
Net income				5,688
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net income attributable to the controlling interests				$ 5,688

Quarter Ended December 31, 2017	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income(3)	$ 14,212	$ 19,021	$ 11,530	$ 44,763
Add: Net operating income from non-same-store properties(3)	101	6,988	—	7,089
Total net operating income(2)	$ 14,313	$ 26,009	$ 11,530	$ 51,852
Add/(deduct):				
Other income				298
Interest expense				(11,900)
Depreciation and amortization				(28,785)
General and administrative expenses				(5,868)
Income tax expense				(23)
Gain on sale of real estate				24,915
Real estate impairment				(28,152)
Net income				2,337
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net income attributable to the controlling interests				$ 2,337

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

Year Ended December 31, 2018	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income[3]	$ 57,980	$ 79,742	$ 47,548	$ 185,270
Add: Net operating income from non-same-store properties[3]	(21)	35,411	—	35,390
Total net operating income[2]	$ 57,959	$ 115,153	$ 47,548	$ 220,660
Add/(deduct):				
Interest expense				(51,144)
Depreciation and amortization				(121,228)
General and administrative expenses				(22,089)
Real estate impairment				(1,886)
Gain on sale of real estate				2,495
Loss on extinguishment of debt				(1,178)
Net income				25,630
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net income attributable to the controlling interests				$ 25,630

Year Ended December 31, 2017	**Multifamily**	**Office**	**Retail**	**Total**
Same-store net operating income[3]	$ 56,137	$ 76,330	$ 47,204	$ 179,671
Add: Net operating income from non-same-store properties[3]	1,473	28,284	—	29,757
Total net operating income[2]	$ 57,610	$ 104,614	$ 47,204	$ 209,428
Add/(deduct):				
Other income				507
Interest expense				(47,534)
Depreciation and amortization				(112,056)
General and administrative expenses				(22,580)
Income tax benefit				84
Gain on sale of real estate				24,915
Real estate impairment				(33,152)
Net income				19,612
Less: Net loss attributable to noncontrolling interests in subsidiaries				56
Net income attributable to the controlling interests				$ 19,668

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

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net income	$ 5,688	$ 2,337	$ 25,630	$ 19,612
Add/(deduct):				
Real estate depreciation and amortization	31,109	28,785	121,228	112,056
Gain on sale of depreciable real estate	—	(23,838)	(2,495)	(23,838)
Real estate impairment	—	28,152	1,886	33,152
NAREIT funds from operations[(1)]	36,797	35,436	146,249	140,982
Add/(deduct):				
Loss on extinguishment of debt	—	—	1,178	—
Gain on sale of non-depreciable real estate, net	—	(1,077)	—	(1,077)
Structuring expenses	—	—	—	319
Core funds from operations[(1)]	$ 36,797	$ 34,359	$ 147,427	$ 140,224

		Quarter Ended December 31,		Year Ended December 31,	
Per share data:		2018	2017	2018	2017
NAREIT FFO	(Basic)	$ 0.46	$ 0.45	$ 1.85	$ 1.83
	(Diluted)	$ 0.46	$ 0.45	$ 1.84	$ 1.83
Core FFO	(Basic)	$ 0.46	$ 0.44	$ 1.86	$ 1.82
	(Diluted)	$ 0.46	$ 0.44	$ 1.86	$ 1.82
Weighted average shares outstanding - basic		79,748	78,386	78,960	76,820
Fully diluted weighted average shares outstanding		79,760	78,478	79,042	76,935

Supplemental Operating and Financial Data

Fourth Quarter 2018

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Company Background and Highlights

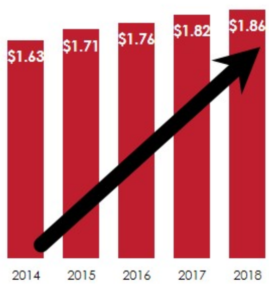
Fourth Quarter 2018

Washington Real Estate Investment Trust ("Washington REIT") owns and operates uniquely positioned real estate assets in the Washington D.C. market. As of December 31, 2018, Washington REIT owned a diversified portfolio of 48 properties, totaling approximately 6.1 million square feet of commercial space and 4,268 multifamily units, and land held for development. These 48 properties consist of 19 office properties, 16 retail centers and 13 multifamily properties. Washington REIT shares are publicly traded on the New York Stock Exchange (NYSE:WRE).

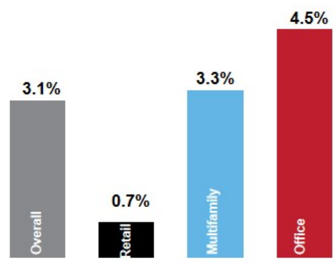
FINANCIAL STRENGTH

YTD 2018 CORE FAD PAYOUT RATIO	DEBT SERVICE COVERAGE RATIO	TARGET NET DEBT TO ADJ EBITDA MID TO LOW	INVESTMENT GRADE CREDIT RATING	SECURED DEBT TO TOTAL ASSETS	Q4 SAME-STORE NOI GROWTH
78.4%	3.8x	6s	Baa2 STABLE BBB STABLE	1.9%	4.5%

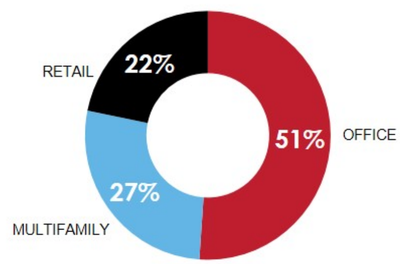
CORE FFO GROWTH HISTORY



FY 2018 SAME-STORE NOI GROWTH



Q4 2018 NOI BY ASSET CLASS



Supplemental Financial and Operating Data

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December 31, 2018

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

	Twelve Months Ended		Three Months Ended				
OPERATING RESULTS	**12/31/2018**	**12/31/2017**	**12/31/2018**	**9/30/2018**	**6/30/2018**	**3/31/2018**	**12/31/2017**
Real estate rental revenue	$ 336,890	$ 325,078	$ 82,901	$ 82,502	$ 86,606	$ 84,881	$ 81,302
Real estate expenses	(116,230)	(115,650)	(28,255)	(28,571)	(29,503)	(29,901)	(29,450)
	220,660	209,428	54,646	53,931	57,103	54,980	51,852
Real estate depreciation and amortization	(121,228)	(112,056)	(31,109)	(30,272)	(29,878)	(29,969)	(28,785)
Income from real estate	99,432	97,372	23,537	23,659	27,225	25,011	23,067
General and administrative expenses	(22,089)	(22,580)	(5,352)	(5,267)	(5,649)	(5,821)	(5,868)
Real estate impairment	(1,886)	(33,152)	—	—	—	(1,886)	(28,152)
Interest expense	(51,144)	(47,534)	(12,497)	(12,499)	(13,321)	(12,827)	(11,900)
Other income	—	507	—	—	—	—	298
Gain on sale of real estate	2,495	24,915	—	—	2,495	—	24,915
Income tax benefit (expense)	—	84	—	—	—	—	(23)
Loss on extinguishment of debt	(1,178)	—	—	—	—	(1,178)	—
Net income	25,630	19,612	5,688	5,893	10,750	3,299	2,337
Less: Net loss from noncontrolling interests	—	56	—	—	—	—	—
Net income attributable to the controlling interests	$ 25,630	$ 19,668	$ 5,688	$ 5,893	$ 10,750	$ 3,299	$ 2,337
Per Share Data:							
Net income attributable to the controlling interests	$ 0.32	$ 0.25	$ 0.07	$ 0.07	$ 0.13	$ 0.04	$ 0.03
Fully diluted weighted average shares outstanding	79,042	76,935	79,760	79,238	78,616	78,547	78,478
Percentage of Revenues:							
Real estate expenses	34.5%	35.6%	34.1%	34.6%	34.1%	35.2%	36.2%
General and administrative expenses	6.6%	6.9%	6.5%	6.4%	6.5%	6.9%	7.2%
Ratios:							
Adjusted EBITDA / Interest expense	3.9x	4.0x	4.0x	3.9x	3.9x	3.9x	3.9x
Net income attributable to the controlling interest/Total real estate revenue	7.6%	6.1%	6.9%	7.1%	12.4%	3.9%	2.9%

Consolidated Balance Sheets
(In thousands)
(Unaudited)

	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Assets					
Land	$ 614,659	$ 614,659	$ 614,659	$ 614,659	$ 588,025
Income producing property	2,271,926	2,239,917	2,220,819	2,211,529	2,113,977
	2,886,585	2,854,576	2,835,478	2,826,188	2,702,002
Accumulated depreciation and amortization	(770,535)	(745,829)	(722,423)	(698,450)	(683,692)
Net income producing property	2,116,050	2,108,747	2,113,055	2,127,738	2,018,310
Development in progress, including land held for development	87,231	81,765	71,522	61,712	54,422
Total real estate held for investment, net	2,203,281	2,190,512	2,184,577	2,189,450	2,072,732
Investment in real estate held for sale, net	—	—	—	93,048	68,534
Cash and cash equivalents	6,016	4,810	5,952	11,510	9,847
Restricted cash	1,624	1,352	2,301	2,469	2,776
Rents and other receivables, net of allowance for doubtful accounts	73,861	74,395	73,650	71,499	69,766
Prepaid expenses and other assets	132,322	145,448	142,648	148,088	125,087
Other assets related to properties sold or held for sale	—	—	—	2,231	10,684
Total assets	$ 2,417,104	$ 2,416,517	$ 2,409,128	$ 2,518,295	$ 2,359,426
Liabilities					
Notes payable	$ 995,397	$ 995,130	$ 994,778	$ 994,425	$ 894,358
Mortgage notes payable, net	59,792	60,541	93,071	93,991	95,141
Lines of credit	188,000	183,000	169,000	260,000	166,000
Accounts payable and other liabilities	59,567	63,683	57,983	64,823	61,565
Dividend payable	24,022	—	—	—	23,581
Advance rents	11,736	10,597	12,020	12,441	12,487
Tenant security deposits	10,112	9,857	9,643	9,466	9,149
Liabilities related to properties sold or held for sale	—	—	—	2,385	1,809
Total liabilities	1,348,626	1,322,808	1,336,495	1,437,531	1,264,090
Equity					
Preferred shares; $0.01 par value; 10,000 shares authorized	—	—	—	—	—
Shares of beneficial interest, $0.01 par value; 100,000 shares authorized	799	798	787	786	785
Additional paid-in capital	1,526,574	1,526,125	1,488,366	1,485,765	1,483,980
Distributions in excess of net income	(469,085)	(450,749)	(432,585)	(419,633)	(399,213)
Accumulated other comprehensive loss	9,839	17,181	15,707	13,484	9,419
Total shareholders' equity	1,068,127	1,093,355	1,072,275	1,080,402	1,094,971
Noncontrolling interests in subsidiaries	351	354	358	362	365
Total equity	1,068,478	1,093,709	1,072,633	1,080,764	1,095,336
Total liabilities and equity	$ 2,417,104	$ 2,416,517	$ 2,409,128	$ 2,518,295	$ 2,359,426

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

	Twelve Months Ended		Three Months Ended				
	12/31/2018	**12/31/2017**	**12/31/2018**	**9/30/2018**	**6/30/2018**	**3/31/2018**	**12/31/2017**
Funds from operations (FFO)[1]							
Net income	$ 25,630	$ 19,612	$ 5,688	$ 5,893	$ 10,750	$ 3,299	$ 2,337
Real estate depreciation and amortization	121,228	112,056	31,109	30,272	29,878	29,969	28,785
Gain on sale of depreciable real estate	(2,495)	(23,838)	—	—	(2,495)	—	(23,838)
Real estate impairment	1,886	33,152	—	—	—	1,886	28,152
NAREIT funds from operations (FFO)	$ 146,249	$ 140,982	$ 36,797	$ 36,165	$ 38,133	$ 35,154	$ 35,436
Loss on extinguishment of debt	1,178	—	—	—	—	1,178	—
Gain on sale of non depreciable real estate	—	(1,077)	—	—	—	—	(1,077)
Structuring expenses	—	319	—	—	—	—	—
Core FFO [1]	$ 147,427	$ 140,224	$ 36,797	$ 36,165	$ 38,133	$ 36,332	$ 34,359
Allocation to participating securities[2]	$ (526)	$ (362)	$ (93)	$ (144)	$ (144)	$ (144)	$ (71)
NAREIT FFO per share - basic	$ 1.85	$ 1.83	$ 0.46	$ 0.46	$ 0.48	$ 0.45	$ 0.45
NAREIT FFO per share - fully diluted	$ 1.84	$ 1.83	$ 0.46	$ 0.45	$ 0.48	$ 0.45	$ 0.45
Core FFO per share - fully diluted	$ 1.86	$ 1.82	$ 0.46	$ 0.45	$ 0.48	$ 0.46	$ 0.44
Common dividend declared per share	$ 1.20	$ 1.20	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Average shares - basic	78,960	76,820	79,748	79,076	78,520	78,483	78,386
Average shares - fully diluted	79,042	76,935	79,760	79,238	78,616	78,547	78,478

(1) See "Supplemental Definitions" on page 33 of this supplemental for the definitions of FFO and Core FFO.
(2) Adjustment to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS.

Funds Available for Distribution
(In thousands)
(Unaudited)

	Twelve Months Ended		Three Months Ended				
	12/31/2018	12/31/2017	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Funds available for distribution (FAD)[1]							
NAREIT FFO	$ 146,249	$ 140,982	$ 36,797	$ 36,165	$ 38,133	$ 35,154	$ 35,436
Non-cash loss on extinguishment of debt	1,178	—	—	—	—	1,178	—
Tenant improvements and incentives	(23,535)	(18,182)	(10,730)	(5,808)	(2,330)	(4,667)	(7,788)
External and internal leasing commissions capitalized	(5,856)	(7,405)	(3,556)	(957)	(896)	(447)	(1,741)
Recurring capital improvements	(3,954)	(6,838)	(2,110)	(752)	(469)	(623)	(4,455)
Straight-line rent, net	(4,343)	(4,380)	(959)	(1,058)	(1,123)	(1,203)	(1,238)
Non-cash fair value interest expense	(865)	(970)	(214)	(215)	(217)	(219)	(221)
Non-real estate depreciation and amortization of debt costs	3,887	3,537	989	997	945	956	943
Amortization of lease intangibles, net	1,842	2,431	372	430	420	620	436
Amortization and expensing of restricted share and unit compensation	6,746	4,772	1,682	1,694	1,830	1,540	1,211
FAD	$ 121,349	$ 113,947	$ 22,271	$ 30,496	$ 36,293	$ 32,289	$ 22,583
Gain on sale of non depreciable real estate	—	(1,077)	—	—	—	—	(1,077)
Structuring expenses	—	319	—	—	—	—	—
Core FAD [1]	$ 121,349	$ 113,189	$ 22,271	$ 30,496	$ 36,293	$ 32,289	$ 21,506

[1] See "Supplemental Definitions" on page 33 of this supplemental for the definitions of FAD and Core FAD.

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

	Twelve Months Ended		Three Months Ended				
	12/31/2018	**12/31/2017**	**12/31/2018**	**9/30/2018**	**6/30/2018**	**3/31/2018**	**12/31/2017**
Adjusted EBITDA[1]							
Net income	$ 25,630	$ 19,612	$ 5,688	$ 5,893	$ 10,750	$ 3,299	$ 2,337
Add:							
Interest expense	51,144	47,534	12,497	12,499	13,321	12,827	11,900
Real estate depreciation and amortization	121,228	112,056	31,109	30,272	29,878	29,969	28,785
Income tax (benefit) expense	—	(84)	—	—	—	—	23
Real estate impairment	1,886	33,152	—	—	—	1,886	28,152
Non-real estate depreciation	908	657	236	226	191	255	243
Structuring expenses	—	319	—	—	—	—	—
Less:							
Gain on sale of real estate	(2,495)	(24,915)	—	—	(2,495)	—	(24,915)
Loss on extinguishment of debt	1,178	—	—	—	—	1,178	—
Adjusted EBITDA	$ 199,479	$ 188,331	$ 49,530	$ 48,890	$ 51,645	$ 49,414	$ 46,525

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

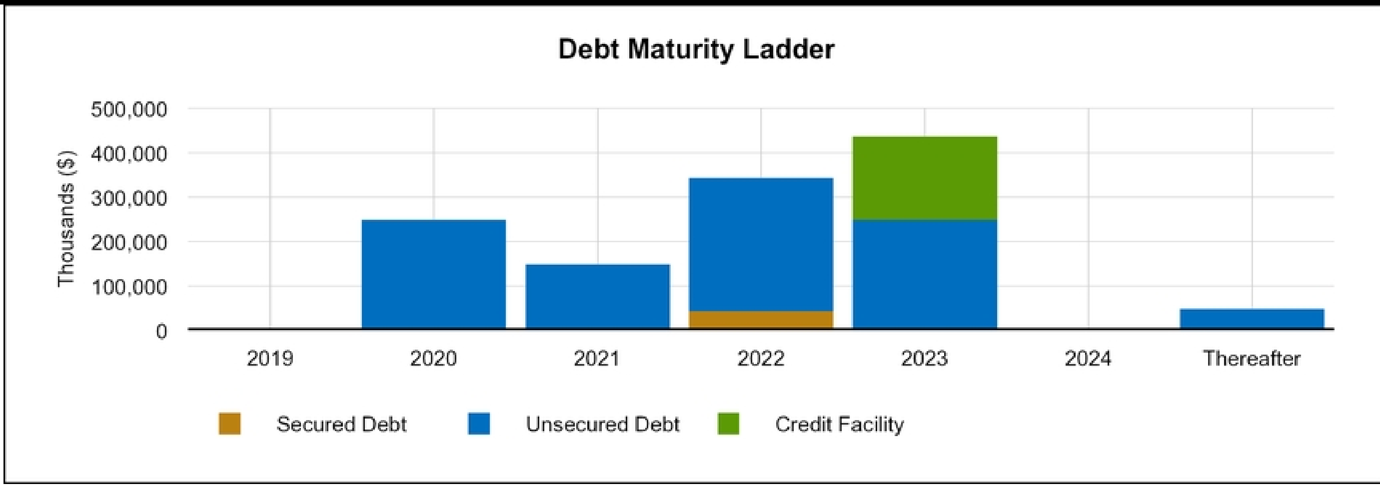
Long Term Debt Analysis
($'s in thousands)

	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Balances Outstanding					
Secured					
Mortgage note payable, net	$ 59,792	$ 60,541	$ 93,071	$ 93,991	$ 95,141
Unsecured					
Fixed rate bonds and notes	596,876	596,714	596,467	596,219	595,972
Term loans	398,521	398,416	398,311	398,206	298,386
Credit facilities	188,000	183,000	169,000	260,000	166,000
Unsecured total	1,183,397	1,178,130	1,163,778	1,254,425	1,060,358
Total	$ 1,243,189	$ 1,238,671	$ 1,256,849	$ 1,348,416	$ 1,155,499
Weighted Average Interest Rates					
Secured					
Mortgage note payable, net	4.0%	4.0%	4.5%	4.5%	4.5%
Unsecured					
Fixed rate bonds	4.7%	4.7%	4.7%	4.7%	4.7%
Term loans [1]	2.8%	2.8%	2.8%	2.6%	2.8%
Credit facilities	3.5%	3.2%	3.0%	2.9%	2.5%
Unsecured total	3.9%	3.8%	3.8%	3.7%	3.8%
Weighted Average	3.9%	3.9%	3.9%	3.7%	3.9%

[1] Washington REIT has entered into interest rate swaps to effectively fix the floating interest rates on its term loans (see page 10 of this Supplemental).

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)
December 31, 2018



	Future Maturities of Debt				
Year	**Secured Debt**	**Unsecured Debt**	**Credit Facility**	**Total Debt**	**Average Interest Rate**
2019	$ —	$ —	$ —	$ —	—%
2020	—	250,000	—	250,000	5.1%
2021	—	150,000 (2)	—	150,000	2.7%
2022	44,517	300,000	—	344,517	4.0%
2023	—	250,000 (3)	188,000 (1)	438,000	3.1%
2024	—	—	—	—	—%
Thereafter	—	50,000	—	50,000	7.4%
Scheduled principal payments	$ 44,517	$ 1,000,000	$ 188,000	$ 1,232,517	3.9%
Scheduled amortization payments	12,853	—	—	12,853	4.8%
Net discounts/premiums	2,520	(1,189)	—	1,331	
Loan costs, net of amortization	(98)	(3,414)	—	(3,512)	
Total maturities	$ 59,792	$ 995,397	$ 188,000	$ 1,243,189	3.9%

Weighted average maturity = 3.7 years

(1) Maturity date for credit facility of March 2023 assumes election of option for two additional 6-month periods.

(2) Washington REIT entered into interest rate swaps to effectively fix a LIBOR plus 110 basis points floating interest rate to a 2.72% all-in fixed interest rate through the term loan maturity of March 2021.

(3) Washington REIT entered into interest rate swaps to effectively fix a LIBOR plus 110 basis points floating interest rate to a 2.31% all-in fixed interest rate for $150.0 million portion of the of the term loan. For the remaining $100.0 million portion of the term loan, Washington REIT entered into interest rate swaps to effectively fix a LIBOR plus 100 basis points floating interest rate to a 3.71% all-in fixed interest rate. The interest rates are fixed through the term loan maturity of July 2023.

Debt Covenant Compliance

	Unsecured Notes Payable		Unsecured Line of Credit and Term Loans	
	Quarter Ended December 31, 2018	Covenant	Quarter Ended December 31, 2018	Covenant
% of Total Indebtedness to Total Assets[1]	39.8%	≤ 65.0%	N/A	N/A
Ratio of Income Available for Debt Service to Annual Debt Service	4.2	≥ 1.5	N/A	N/A
% of Secured Indebtedness to Total Assets[1]	1.9%	≤ 40.0%	N/A	N/A
Ratio of Total Unencumbered Assets[2] to Total Unsecured Indebtedness	2.5	≥ 1.5	N/A	N/A
% of Net Consolidated Total Indebtedness to Consolidated Total Asset Value[3]	N/A	N/A	33.6%	≤ 60.0%
Ratio of Consolidated Adjusted EBITDA[4] to Consolidated Fixed Charges[5]	N/A	N/A	3.77	≥ 1.50
% of Consolidated Secured Indebtedness to Gross Total Asset Value[3]	N/A	N/A	1.6%	≤ 40.0%
% of Consolidated Unsecured Indebtedness to Unencumbered Pool Value[6]	N/A	N/A	33.2%	≤ 60.0%
Ratio of Unencumbered Adjusted Net Operating Income to Consolidated Unsecured Interest Expense	N/A	N/A	4.44	≥ 1.75

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

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

(3) 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.

(4) 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.

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

(6) 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)

	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Market Data					
Shares Outstanding	79,910	79,844	78,661	78,636	78,510
Market Price per Share	$ 23.00	$ 30.65	$ 30.33	$ 27.30	$ 31.12
Equity Market Capitalization	$ 1,837,930	$ 2,447,219	$ 2,385,788	$ 2,146,763	$ 2,443,231
Total Debt	$ 1,243,189	$ 1,238,671	$ 1,256,849	$ 1,348,416	$ 1,155,499
Total Market Capitalization	$ 3,081,119	$ 3,685,890	$ 3,642,637	$ 3,495,179	$ 3,598,730
Total Debt to Market Capitalization	0.40:1	0.34:1	0.35:1	0.39:1	0.32:1
Earnings to Fixed Charges[(1)]	1.4x	1.4x	1.8x	1.2x	1.2x
Debt Service Coverage Ratio[(2)]	3.8x	3.7x	3.7x	3.6x	3.7x

Dividend Data

	Twelve Months Ended		Three Months Ended				
	12/31/2018	12/31/2017	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Total Dividends Declared	$ 95,502	$ 92,834	$ 24,024	$ 24,057	$ 23,702	$ 23,719	$ 23,581
Common Dividend Declared per Share	$ 1.20	$ 1.20	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Payout Ratio (Core FFO per share basis)	64.5%	65.9%	65.2%	66.7%	62.5%	65.2%	68.2%
Payout Ratio (Core FAD per share basis)	78.4%	81.6%					

(1) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations attributable to the controlling interests plus fixed charges, less capitalized interest. Fixed charges consist of interest expense, including amortized costs of debt issuance, plus interest costs capitalized. The earnings to fixed charges ratio for the three months ended June 30, 2018 and December 31, 2017 include gains on the sale of real estate of $2.5M and $24.9 million respectively.

(2) 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
2018 vs. 2017

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	% Change	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017	% Change
Cash Basis:						
Multifamily	$ 14,806	$ 14,220	4.1%	$ 57,990	$ 56,153	3.3%
Office	20,383	19,048	7.0%	80,616	76,444	5.5%
Retail	11,641	11,245	3.5%	46,695	46,156	1.2%
Overall Same-Store Portfolio (1)	$ 46,830	$ 44,513	5.2%	$ 185,301	$ 178,753	3.7%
GAAP Basis:						
Multifamily	$ 14,803	$ 14,212	4.2%	$ 57,980	$ 56,137	3.3%
Office	20,056	19,021	5.4%	79,742	76,330	4.5%
Retail	11,917	11,530	3.4%	47,548	47,204	0.7%
Overall Same-Store Portfolio (1)	$ 46,776	$ 44,763	4.5%	$ 185,270	$ 179,671	3.1%

(1) Non same-store properties were:

Acquisitions:

Office - Watergate 600 and Arlington Tower

Sold properties:

Multifamily - Walker House Apartments

Office - Braddock Metro Center and 2445 M Street

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

	Three Months Ended December 31, 2018				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	$ 24,026	$ 32,498	$ 15,659	$ —	$ 72,183
Non same-store [1]	—	10,718	—	—	10,718
Total	24,026	43,216	15,659	—	82,901
Real estate expenses					
Same-store portfolio	9,223	12,442	3,742	—	25,407
Non same-store [1]	—	2,848	—	—	2,848
Total	9,223	15,290	3,742	—	28,255
Net Operating Income (NOI)					
Same-store portfolio	14,803	20,056	11,917	—	46,776
Non same-store [1]	—	7,870	—	—	7,870
Total	$ 14,803	$ 27,926	$ 11,917	$ —	$ 54,646
Same-store portfolio NOI (from above)	$ 14,803	$ 20,056	$ 11,917	$ —	$ 46,776
Straight-line revenue, net for same-store properties	3	(379)	(157)	—	(533)
Amortization of acquired lease assets (liabilities) for same-store properties	—	69	(170)	—	(101)
Amortization of lease intangibles for same-store properties	—	637	51	—	688
Same-store portfolio cash NOI	$ 14,806	$ 20,383	$ 11,641	$ —	$ 46,830
Reconciliation of NOI to net income:					
Total NOI	$ 14,803	$ 27,926	$ 11,917	$ —	$ 54,646
Depreciation and amortization	(8,080)	(19,191)	(3,652)	(186)	(31,109)
General and administrative	—	—	—	(5,352)	(5,352)
Interest expense	(522)	(304)	(151)	(11,520)	(12,497)
Net Income (loss)	6,201	8,431	8,114	(17,058)	5,688
Net income attributable to noncontrolling interests	—	—	—	—	—
Net income (loss) attributable to the controlling interests	$ 6,201	$ 8,431	$ 8,114	$ (17,058)	$ 5,688

[1] For a list of non-same-store properties, see page 13 of this Supplemental.

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

	Three Months Ended December 31, 2017				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	$ 23,201	$ 30,995	$ 15,569	$ —	$ 69,765
Non same-store [1]	212	11,325	—	—	11,537
Total	23,413	42,320	15,569	—	81,302
Real estate expenses					
Same-store portfolio	8,989	11,974	4,039	—	25,002
Non same-store [1]	111	4,337	—	—	4,448
Total	9,100	16,311	4,039	—	29,450
Net Operating Income (NOI)					
Same-store portfolio	14,212	19,021	11,530	—	44,763
Non same-store [1]	101	6,988	—	—	7,089
Total	$ 14,313	$ 26,009	$ 11,530	$ —	$ 51,852
Same-store portfolio NOI (from above)	$ 14,212	$ 19,021	$ 11,530	$ —	$ 44,763
Straight-line revenue, net for same-store properties	7	(872)	(146)	—	(1,011)
Amortization of acquired lease assets (liabilities) for same-store properties	1	234	(187)	—	48
Amortization of lease intangibles for same-store properties	—	665	48	—	713
Same-store portfolio cash NOI	$ 14,220	$ 19,048	$ 11,245	$ —	$ 44,513
Reconciliation of NOI to net income:					
Total NOI	$ 14,313	$ 26,009	$ 11,530	$ —	$ 51,852
Depreciation and amortization	(7,811)	(16,953)	(3,818)	(203)	(28,785)
General and administrative	—	—	—	(5,868)	(5,868)
Real estate impairment	—	—	—	(28,152)	(28,152)
Interest expense	(977)	(305)	(176)	(10,442)	(11,900)
Other income	—	—	—	298	298
Income tax expense	—	—	—	(23)	(23)
Gain on sale of real estate, continuing ops	—	—	—	24,915	24,915
Net income (loss)	5,525	8,751	7,536	(19,475)	2,337
Net income attributable to noncontrolling interests	—	—	—	—	—
Net income (loss) attributable to the controlling interests	$ 5,525	$ 8,751	$ 7,536	$ (19,475)	$ 2,337

[1] For a list of non-same-store properties, see page 13 of this Supplemental.

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

	Twelve Months Ended December 31, 2018				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	$ 95,194	$ 128,201	$ 63,222	$ —	$ 286,617
Non same-store [1]	—	50,273	—	—	50,273
Total	95,194	178,474	63,222	—	336,890
Real estate expenses					
Same-store portfolio	37,214	48,459	15,674	—	101,347
Non same-store [1]	21	14,862	—	—	14,883
Total	37,235	63,321	15,674	—	116,230
Net Operating Income (NOI)					
Same-store portfolio	57,980	79,742	47,548	—	185,270
Non same-store [1]	(21)	35,411	—	—	35,390
Total	$ 57,959	$ 115,153	$ 47,548	$ —	$ 220,660
Same-store portfolio NOI (from above)	$ 57,980	$ 79,742	$ 47,548	$ —	$ 185,270
Straight-line revenue, net for same-store properties	7	(2,282)	(375)	—	(2,650)
Amortization of acquired lease assets (liabilities) for same-store properties	3	543	(679)	—	(133)
Amortization of lease intangibles for same-store properties	—	2,613	201	—	2,814
Same-store portfolio cash NOI	$ 57,990	$ 80,616	$ 46,695	$ —	$ 185,301
Reconciliation of NOI to net income:					
Total NOI	$ 57,959	$ 115,153	$ 47,548	$ —	$ 220,660
Depreciation and amortization	(31,952)	(74,303)	(14,229)	(744)	(121,228)
General and administrative	—	—	—	(22,089)	(22,089)
Real estate impairment	—	—	—	(1,886)	(1,886)
Loss on extinguishment of debt	—	—	—	(1,178)	(1,178)
Interest expense	(3,283)	(1,208)	(643)	(46,010)	(51,144)
Gain on sale of real estate	—	—	—	2,495	2,495
Net Income (loss)	22,724	39,642	32,676	(69,412)	25,630
Net income attributable to noncontrolling interests	—	—	—	—	—
Net income (loss) attributable to the controlling interests	$ 22,724	$ 39,642	$ 32,676	$ (69,412)	$ 25,630

[1] For a list of non-same-store properties, see page 13 of this Supplemental.

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

	Twelve Months Ended December 31, 2017				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	$ 92,486	$ 123,625	$ 62,390	$ —	$ 278,501
Non same-store [1]	2,764	43,813	—	—	46,577
Total	95,250	167,438	62,390	—	325,078
Real estate expenses					
Same-store portfolio	36,349	47,295	15,186	—	98,830
Non same-store [1]	1,291	15,529	—	—	16,820
Total	37,640	62,824	15,186	—	115,650
Net Operating Income (NOI)					
Same-store portfolio	56,137	76,330	47,204	—	179,671
Non same-store [1]	1,473	28,284	—	—	29,757
Total	$ 57,610	$ 104,614	$ 47,204	$ —	$ 209,428
Same-store portfolio NOI (from above)	$ 56,137	$ 76,330	$ 47,204	$ —	$ 179,671
Straight-line revenue, net for same-store properties	11	(3,612)	(407)	—	(4,008)
Amortization of acquired lease assets (liabilities) for same-store properties	5	920	(838)	—	87
Amortization of lease intangibles for same-store properties	—	2,806	197	—	3,003
Same-store portfolio cash NOI	$ 56,153	$ 76,444	$ 46,156	$ —	$ 178,753
Reconciliation of NOI to Net Income					
Total NOI	$ 57,610	$ 104,614	$ 47,204	$ —	$ 209,428
Depreciation and amortization	(30,820)	(65,023)	(15,396)	(817)	(112,056)
General and administrative	—	—	—	(22,580)	(22,580)
Real Estate Impairment	—	—	—	(33,152)	(33,152)
Interest expense	(3,916)	(1,046)	(740)	(41,832)	(47,534)
Other income	—	—	—	507	507
Gain on sale of real estate	—	—	—	24,915	24,915
Income tax benefit	—	—	—	84	84
Net income (loss)	22,874	38,545	31,068	(72,875)	19,612
Net loss attributable to noncontrolling interests	—	—	—	56	56
Net income (loss) attributable to the controlling interests	$ 22,874	$ 38,545	$ 31,068	$ (72,819)	$ 19,668

[1] For a list of non-same-store properties, see page 13 of this Supplemental.

Net Operating Income (NOI) by Region

	Percentage of NOI	
	Q4 2018	**YTD 2018**
DC		
Multifamily	5.5 %	5.3 %
Office	25.6 %	27.1 %
Retail	1.7 %	1.8 %
	32.8 %	**34.2 %**
Maryland		
Multifamily	1.4 %	1.4 %
Retail	13.0 %	12.9 %
	14.4 %	**14.3 %**
Virginia		
Multifamily	20.2 %	19.5 %
Office	25.5 %	25.1 %
Retail	7.1 %	6.9 %
	52.8 %	**51.5 %**
Total Portfolio	**100.0 %**	**100.0 %**

Same-Store Portfolio and Overall Ending Occupancy Levels by Sector

Sector	Ending Occupancy - Same-Store Properties (1), (2)				
	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Multifamily (calculated on a unit basis)	94.8%	95.3%	95.2%	95.2%	95.0%
Multifamily	94.8%	95.4%	95.2%	95.4%	94.1%
Office	91.7%	92.1%	92.7%	92.6%	92.0%
Retail	91.9%	94.3%	91.1%	91.1%	91.2%
Overall Portfolio	**93.0%**	**94.0%**	**93.3%**	**93.3%**	**92.6%**

Sector	Ending Occupancy - All Properties				
	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Multifamily (calculated on a unit basis)	94.8%	95.3%	95.2%	95.2%	95.0%
Multifamily	94.8%	95.4%	95.2%	95.4%	94.1%
Office	92.3%	92.7%	93.1%	92.8%	90.1%
Retail	91.9%	94.3%	91.1%	91.1%	91.2%
Overall Portfolio	**93.1%**	**94.1%**	**93.4%**	**93.3%**	**91.8%**

(1) Non same-store properties were:

Acquisitions:

Office - Watergate 600 and Arlington Tower

Sold properties:

Office - Braddock Metro Center and 2445 M Street

Multifamily - Walker House Apartments

(2) Ending 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 ending occupancy is calculated as occupied units as a percentage of total available units as of the last day of that period. The occupied square footage for office and retail properties includes temporary lease agreements.

Same-Store Portfolio and Overall Average Occupancy Levels by Sector

Sector	Average Occupancy - Same-Store Properties[1] [2] 12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Multifamily (calculated on a unit basis)	95.0%	95.5%	94.8%	95.4%	94.8%
Multifamily	95.0%	95.6%	94.9%	95.4%	94.8%
Office	92.0%	92.2%	92.5%	92.5%	91.6%
Retail	92.7%	93.2%	91.1%	91.1%	92.2%
Overall Portfolio	**93.4%**	**93.8%**	**93.1%**	**93.3%**	**93.0%**

Sector	Average Occupancy - All Properties 12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Multifamily (calculated on a unit basis)	95.0%	95.5%	94.8%	95.4%	94.8%
Multifamily	95.0%	95.6%	94.9%	95.4%	94.8%
Office	92.6%	92.5%	93.0%	93.0%	89.8%
Retail	92.7%	93.2%	91.1%	91.1%	92.2%
Overall Portfolio	**93.5%**	**93.8%**	**93.2%**	**93.4%**	**92.2%**

[1] Non same-store properties were:

Acquisitions:

Office - Watergate 600 and Arlington Tower

Sold properties:

Multifamily - Walker House Apartments

Office - Braddock Metro Center and 2445 M Street

[2] Average occupancy is based on monthly occupied net rentable square footage as a percentage of total net rentable square footage, except for the rows labeled "Multifamily (calculated on a unit basis)", on which average occupancy is based on average monthly occupied units as a percentage of total units. The square footage for multifamily properties only includes residential space. The occupied square footage for office and retail properties includes temporary lease agreements.

Acquisition and Disposition Summary

Acquisition

	Location	Acquisition Date	Property Type	Square Feet	December 31, 2018 Leased Percentage	Contract Purchase Price (in thousands)
Arlington Tower	Arlington, Virginia	January 18, 2018	Office	391,000	95.3 %	$ 250,000

Dispositions

	Location	Disposition Date	Property Type	Square Feet	Contract Sales Price (in thousands)	GAAP Gain
Braddock Metro Center	Alexandria, Virginia	January 19, 2018	Office	356,000	$ 93,000	$ —
2445 M Street	Washington, DC	June 28, 2018	Office	292,000	101,600	2,495
				648,000	$ 194,600	$ 2,495

Development Summary
December 31, 2018

Development

Property and Location	Total Rentable Square Feet or # of Units	Anticipated Total Cash Cost [1] (in thousands)	Cash Cost to Date [1] (in thousands)	Initial Occupancy
Trove (Wellington land parcel), Arlington, VA	401 units	$ 122,252	$ 53,424	Phase I - fourth quarter 2019 [2] Phase II - third quarter 2020 [2]

[1] Represents anticipated/actual cash expenditures, and excludes allocations of capitalized corporate overhead costs and interest.

[2] This development project has two phases: Phase I consists of 203 units and a garage, with garage delivery anticipated in first quarter 2019 and delivery of units anticipated to commence in fourth quarter 2019; Phase II consists of 198 units, with delivery of units anticipated to commence in third quarter 2020.

Multifamily Rental Rate Growth

Year over Year Rental Rate Growth	4th Quarter 2018	3rd Quarter 2018	2nd Quarter 2018	1st Quarter 2018	4th Quarter 2017
Overall	**2.4%**	**2.3%**	**2.1%**	**2.0%**	**2.2%**

Average Monthly Rent per Unit	4th Quarter 2018	4th Quarter 2017	% Change
Class A	2,338	2,297	1.8%
Class B	1,668	1,626	2.6%
Overall	**1,775**	**1,733**	**2.4%**

See Supplemental Definitions on page 33 for definition of same-store portfolio properties.

Commercial Leasing Summary - New Leases

	4th Quarter 2018	3rd Quarter 2018	2nd Quarter 2018	1st Quarter 2018	4th Quarter 2017
Gross Leasing Square Footage					
Office	34,397	36,518	19,709	26,975	21,729
Retail	17,313	17,595	7,664	5,737	11,061
Total	**51,710**	**54,113**	**27,373**	**32,712**	**32,790**
Weighted Average Term (years)					
Office	4.8	5.9	8.9	3.7	5.4
Retail	7.2	5.8	9.9	9.0	5.3
Total	**5.6**	**5.9**	**9.2**	**4.6**	**5.4**
Weighted Average Free Rent Period (months)					
Office Buildings	3.9	4.7	9.0	3.6	3.7
Retail Centers	5.9	1.2	0.9	0.6	2.5
Total	**4.2**	**3.9**	**7.0**	**3.1**	**3.4**

Rental Rate Increases:	**GAAP**	**CASH**	**GAAP**	**CASH**	**GAAP**	**CASH**	**GAAP**	**CASH**	**GAAP**	**CASH**
Rate on expiring leases										
Office	$ 44.37	$ 43.50	$ 46.16	$ 46.17	$ 36.39	$ 34.19	$ 45.79	$ 47.35	$ 44.80	$ 47.40
Retail	22.50	24.95	30.33	28.48	31.17	28.67	52.65	48.87	25.39	25.27
Total	$ 37.05	$ 37.29	$ 41.01	$ 40.42	$ 34.92	$ 32.64	$ 46.99	$ 47.61	$ 38.25	$ 39.94
Rate on new leases										
Office	$ 46.68	$ 44.54	$ 51.27	$ 47.84	$ 37.78	$ 34.13	$ 50.14	$ 48.38	$ 52.58	$ 50.19
Retail	19.82	18.30	31.87	29.60	33.34	29.35	50.03	44.20	27.45	26.46
Total	$ 37.69	$ 35.76	$ 44.96	$ 41.91	$ 36.53	$ 32.79	$ 50.12	$ 47.65	$ 44.11	$ 42.19
Percentage Increase										
Office	5.2 %	2.4 %	11.1 %	3.6 %	3.8 %	(0.2)%	9.5 %	2.2 %	17.4 %	5.9 %
Retail	(11.9)% (1)	(26.7)% (1)	5.1 %	3.9 %	7.0 %	2.4 %	(5.0)%	(9.6)%	8.1 %	4.7 %
Total	1.7 %	(4.1)%	9.6 %	3.7 %	4.6 %	0.4 %	6.7 %	0.1 %	15.3 %	5.6 %

	Total Dollars	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**
Tenant Improvements										
Office Buildings	$ 1,506,929	$ 43.81	$ 2,227,661	$ 61.00	$ 1,235,164	$ 62.67	$ 792,950	$ 29.40	$ 1,378,204	$ 63.43
Retail Centers	147,345	8.51	339,198	19.28	73,320	9.57	393,000	68.50	54,410	4.92
Subtotal	$ 1,654,274	$ 31.99	$ 2,566,859	$ 47.44	$ 1,308,484	$ 47.80	$ 1,185,950	$ 36.25	$ 1,432,614	$ 43.69
Leasing Commissions										
Office Buildings	$ 363,487	$ 10.57	$ 631,610	$ 17.30	$ 357,109	$ 18.12	$ 256,226	$ 9.49	$ 312,397	$ 14.38
Retail Centers	161,147	9.31	171,582	9.75	92,092	12.02	163,272	28.46	78,751	7.12
Subtotal	$ 524,634	$ 10.15	$ 803,192	$ 14.84	$ 449,201	$ 16.41	$ 419,498	$ 12.83	$ 391,148	$ 11.93
Tenant Improvements and Leasing Commissions										
Office Buildings	$ 1,870,416	$ 54.38	$ 2,859,271	$ 78.30	$ 1,592,273	$ 80.79	$ 1,049,176	$ 38.89	$ 1,690,601	$ 77.81
Retail Centers	308,492	17.82	510,780	29.03	165,412	21.59	556,272	96.96	133,161	12.04
Total	$ 2,178,908	$ 42.14	$ 3,370,051	$ 62.28	$ 1,757,685	$ 64.21	$ 1,605,448	$ 49.08	$ 1,823,762	$ 55.62

(1) Rental rates on new retail leases decreased primarily due to the execution of two leases with service providers that are expected to further improve the merchandising mix and customer traffic at two of our shopping centers.

Commercial Leasing Summary - Renewal Leases

	4th Quarter 2018		3rd Quarter 2018		2nd Quarter 2018		1st Quarter 2018		4th Quarter 2017	
Gross Leasing Square Footage										
Office Buildings		90,567		36,869		10,603		69,593		49,090
Retail Centers		10,820		11,662		190,763		44,759		11,481
Total		**101,387**		**48,531**		**201,366**		**114,352**		**60,571**
Weighted Average Term (years)										
Office Buildings		6.9		5.7		5.4		4.1		4.4
Retail Centers		7.3		6.3		4.9		5.5		7.7
Total		**7.0**		**5.9**		**4.9**		**4.7**		**5.0**
Weighted Average Free Rent Period (months)										
Office Buildings		6.2		5.3		2.5		4.0		0.3
Retail Centers		0.1		—		—		—		1.5
Total		**5.3**		**4.1**		**0.5**		**2.9**		**0.6**
Rental Rate Increases:	**GAAP**	**CASH**	**GAAP**	**CASH**	**GAAP**	**CASH**	**GAAP**	**CASH**	**GAAP**	**CASH**
Rate on expiring leases										
Office Buildings	$ 50.69	$ 53.48	$ 40.09	$ 40.79	$ 42.67	$ 42.74	$ 41.34	$ 41.73	$ 34.21	$ 37.14
Retail Centers	63.34	67.98	39.01	42.35	9.56	9.70	21.00	21.73	32.21	32.49
Total	$ 52.04	$ 55.03	$ 39.83	$ 41.16	$ 11.31	$ 11.44	$ 33.38	$ 33.90	$ 33.86	$ 36.34
Rate on new leases										
Office Buildings	$ 57.59	$ 52.42	$ 46.63	$ 43.15	$ 43.44	$ 41.08	$ 43.51	$ 41.32	$ 34.14	$ 32.60
Retail Centers	72.98	70.68	43.83	41.65	9.74	9.65	23.61	22.55	37.18	36.07
Total	$ 59.23	$ 54.37	$ 45.96	$ 42.79	$ 11.51	$ 11.31	$ 35.72	$ 33.97	$ 34.67	$ 33.20
Percentage Increase										
Office Buildings	13.6 % [1]	(2.0)% [1]	16.3 %	5.8 %	1.8 %	(3.9)%	5.3 %	(1.0)%	(0.2)%	(12.2)%
Retail Centers	15.2 %	4.0 %	12.3 %	(1.6)%	1.8 %	(0.5)%	12.4 %	3.8 %	15.4 %	11.0 %
Total	13.8 %	(1.2)%	15.4 %	3.9 %	1.8 %	(1.2)%	7.0 %	0.2 %	2.4 %	(8.6)%
	Total Dollars	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**	**Total Dollars**	**$ per Sq Ft**
Tenant Improvements										
Office Buildings	$ 4,642,226	$ 51.26	$ 1,192,536	$ 32.35	$ 484,793	$ 45.72	$ 1,085,517	$ 15.60	$ 687,818	$ 14.01
Retail Centers	15,000	1.39	—	—	10,000	0.05	100,000	2.23	—	—
Subtotal	$ 4,657,226	$ 45.94	$ 1,192,536	$ 24.57	$ 494,793	$ 2.46	$ 1,185,517	$ 10.37	$ 687,818	$ 11.36
Leasing Commissions										
Office Buildings	$ 1,881,379	$ 20.77	$ 484,126	$ 13.13	$ 106,904	$ 10.08	$ 591,590	$ 8.50	$ 303,570	$ 6.18
Retail Centers	187,445	17.32	73,724	6.32	41,781	0.22	34,609	0.78	38,753	3.38
Subtotal	$ 2,068,824	$ 20.41	$ 557,850	$ 11.49	$ 148,685	$ 0.74	$ 626,199	$ 5.47	$ 342,323	$ 5.65
Tenant Improvements and Leasing Commissions										
Office Buildings	$ 6,523,605	$ 72.03	$ 1,676,662	$ 45.48	$ 591,697	$ 55.80	$ 1,677,107	$ 24.10	$ 991,388	$ 20.19
Retail Centers	202,445	18.71	73,724	6.32	51,781	0.27	134,609	3.01	38,753	3.38
Total	$ 6,726,050	$ 66.34	$ 1,750,386	$ 36.06	$ 643,478	$ 3.20	$ 1,811,716	$ 15.84	$ 1,030,141	$ 17.01

[1] Rental rates on renewed office leases reflect the execution of a renewal for 42,000 square feet with one of our 10 largest tenants for a term of 11.25 years, as described in our Current Report on Form 8-K filed on November 26, 2018.

10 Largest Tenants - Based on Annualized Commercial Income

December 31, 2018

Tenant	Number of Buildings	Weighted Average Remaining Lease Term in Months	Percentage of Aggregate Portfolio Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Occupied Square Feet
World Bank	1	24	5.8%	210,354	3.8%
Atlantic Media, Inc.	1	106	3.7%	134,084	2.4%
Capital One	5	48	3.1%	148,742	2.7%
Booz Allen Hamilton, Inc.	1	85	2.4%	222,989	4.0%
Hughes Hubbard & Reed LLP	1	114	1.7%	59,154	1.1%
FBR Capital Markets & Company	1	34	1.5%	55,105	1.0%
Morgan Stanley Smith Barney Financing	1	66	1.5%	51,101	0.9%
Epstein, Becker & Green, P.C.	1	120	1.4%	55,318	1.0%
Promontory Interfinancial Network, LLC	1	95	1.1%	36,867	0.7%
Graham Holdings Company	1	71	1.1%	33,815	0.7%
Total/Weighted Average		69	23.3%	1,007,529	18.3%

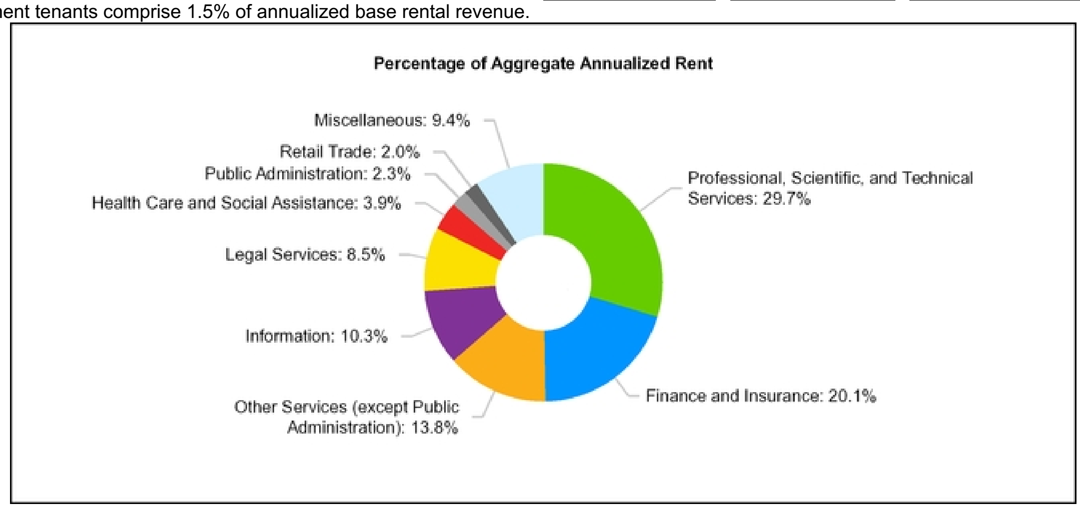
Note: This table excludes short-term leases.

Industry Diversification - Office

December 31, 2018

Industry Classification (NAICS)	Annualized Base Rental Revenue	Percentage of Aggregate Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Square Feet
Office:				
Professional, Scientific, and Technical Services	$ 43,618,018	29.70%	1,184,796	35.32%
Finance and Insurance	29,574,990	20.14%	599,424	17.87%
Other Services (except Public Administration)	20,270,701	13.81%	425,696	12.69%
Information	15,170,755	10.33%	298,621	8.90%
Legal Services	12,510,022	8.52%	245,465	7.32%
Health Care and Social Assistance	5,659,827	3.85%	154,598	4.61%
Public Administration	3,342,753	2.28%	74,203	2.21%
Retail Trade	2,931,975	2.00%	54,497	1.62%
Miscellaneous:				
Construction	2,405,550	1.64%	46,679	1.39%
Manufacturing	2,136,770	1.46%	33,815	1.01%
Accommodation and Food Services	2,053,041	1.40%	55,075	1.64%
Educational Services	1,964,321	1.34%	54,518	1.63%
Other	5,189,770	3.53%	126,988	3.79%
Total	**$ 146,828,493**	**100.00%**	**3,354,375**	**100.00%**

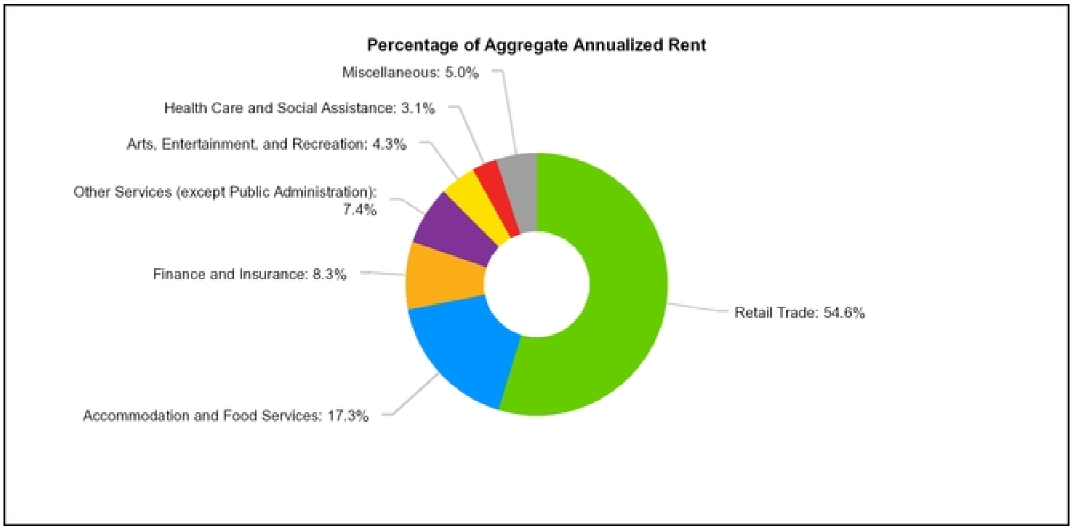
Note: Federal government tenants comprise 1.5% of annualized base rental revenue.



Industry Diversification - Retail

December 31, 2018

Industry Classification (NAICS)	Annualized Base Rental Revenue	Percentage of Aggregate Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Square Feet
Retail:				
Retail Trade	$ 27,655,604	54.62%	1,461,594	69.19%
Accommodation and Food Services	8,770,948	17.32%	248,208	11.75%
Finance and Insurance	4,177,341	8.25%	51,916	2.46%
Other Services (except Public Administration)	3,725,712	7.36%	117,380	5.56%
Arts, Entertainment, and Recreation	2,175,627	4.30%	118,458	5.61%
Health Care and Social Assistance	1,549,306	3.06%	36,747	1.74%
Miscellaneous:				
Information	805,905	1.59%	18,367	0.87%
Wholesale Trade	473,544	0.94%	13,736	0.65%
Educational Services	359,043	0.71%	10,713	0.51%
Other	937,408	1.85%	35,155	1.66%
Total	**$ 50,630,438**	**100.00%**	**2,112,274**	**100.00%**



Lease Expirations
December 31, 2018

Year	Number of Leases	Rentable Square Feet	Percent of Rentable Square Feet	Annualized Rent [(1)]	Average Rental Rate	Percent of Annualized Rent [(1)]
Office:						
2019	77	486,722	14.07%	$ 19,784,447	$ 40.65	11.69%
2020	56	457,135	13.21%	21,726,540	47.53	12.83%
2021	52	276,533	7.99%	11,295,945	40.85	6.67%
2022	44	444,473	12.85%	20,767,723	46.72	12.27%
2023	50	320,676	9.27%	15,856,876	49.45	9.37%
2024 and thereafter	164	1,474,170	42.61%	79,866,500	54.18	47.17%
	443	3,459,709	100.00%	$ 169,298,031	48.93	100.00%
Retail:						
2019	30	99,455	4.70%	$ 2,975,256	$ 29.92	5.42%
2020	38	379,653	17.95%	6,767,170	17.82	12.32%
2021	27	233,161	11.02%	4,301,237	18.45	7.83%
2022	47	303,629	14.36%	8,365,331	27.55	15.23%
2023	48	405,193	19.16%	8,636,392	21.31	15.73%
2024 and thereafter	105	693,849	32.81%	23,871,788	34.40	43.47%
	295	2,114,940	100.00%	$ 54,917,174	25.97	100.00%
Total:						
2019	107	586,177	10.52%	$ 22,759,703	$ 38.83	10.15%
2020	94	836,788	15.01%	28,493,710	34.05	12.71%
2021	79	509,694	9.14%	15,597,182	30.60	6.96%
2022	91	748,102	13.42%	29,133,054	38.94	12.99%
2023	98	725,869	13.02%	24,493,268	33.74	10.92%
2024 and thereafter	269	2,168,019	38.89%	103,738,288	47.85	46.27%
	738	5,574,649	100.00%	$ 224,215,205	40.22	100.00%

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

Schedule of Properties
December 31, 2018

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET	LEASED % [1]	ENDING OCCUPANCY [1]
Office Buildings						
515 King Street	Alexandria, VA	1992	1966	74,000	95.7%	95.7%
Courthouse Square	Alexandria, VA	2000	1979	119,000	91.9%	91.9%
1600 Wilson Boulevard	Arlington, VA	1997	1973	170,000	91.7%	88.9%
Fairgate at Ballston	Arlington, VA	2012	1988	144,000	88.5%	86.9%
Arlington Tower	Arlington, VA	2018	1980/2014	391,000	95.3%	94.0%
Monument II	Herndon, VA	2007	2000	209,000	92.0%	88.5%
925 Corporate Drive	Stafford, VA	2010	2007	135,000	77.8%	77.8%
1000 Corporate Drive	Stafford, VA	2010	2009	137,000	51.2%	51.2%
Silverline Center	Tysons, VA	1997	1972/1986/1999/2015	547,000	98.5%	96.6%
John Marshall II	Tysons, VA	2011	1996/2010	223,000	100.0%	100.0%
1901 Pennsylvania Avenue	Washington, DC	1977	1960	101,000	95.0%	95.0%
1220 19th Street	Washington, DC	1995	1976	102,000	99.1%	98.0%
1776 G Street	Washington, DC	2003	1979	262,000	100.0%	100.0%
2000 M Street	Washington, DC	2007	1971	232,000	86.2%	86.2%
1140 Connecticut Avenue	Washington, DC	2011	1966	183,000	95.5%	90.0%
1227 25th Street	Washington, DC	2011	1988	134,000	100.0%	100.0%
Army Navy Building	Washington, DC	2014	1912/1987/2017	108,000	100.0%	94.3%
1775 Eye Street, NW	Washington, DC	2014	1964	186,000	100.0%	100.0%
Watergate 600	Washington, DC	2017	1972/1997	278,000	96.7%	96.7%
Subtotal				3,735,000	93.6%	92.3%

[1] The leased and occupied square footage for office and retail properties includes temporary lease agreements.

Schedule of Properties
December 31, 2018

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET	LEASED % (1)	ENDING OCCUPANCY (1)
Retail Centers						
Bradlee Shopping Center	Alexandria, VA	1984	1955	171,000	100.0%	97.0%
Shoppes of Foxchase	Alexandria, VA	1994	1960/2006	134,000	100.0%	100.0%
800 S. Washington Street	Alexandria, VA	1998/2003	1955/1959	46,000	100.0%	100.0%
Concord Centre	Springfield, VA	1973	1960	75,000	70.6%	70.6%
Gateway Overlook	Columbia, MD	2010	2007	220,000	97.6%	97.6%
Frederick County Square	Frederick, MD	1995	1973	227,000	92.9%	92.9%
Frederick Crossing	Frederick, MD	2005	1999/2003	295,000	90.8%	89.2%
Centre at Hagerstown	Hagerstown, MD	2002	2000	333,000	86.5%	86.5%
Olney Village Center	Olney, MD	2011	1979/2003	199,000	96.3%	94.2%
Randolph Shopping Center	Rockville, MD	2006	1972	82,000	81.8%	81.8%
Montrose Shopping Center	Rockville, MD	2006	1970	147,000	95.7%	95.7%
Takoma Park	Takoma Park, MD	1963	1962	51,000	100.0%	100.0%
Westminster	Westminster, MD	1972	1969	150,000	95.0%	95.0%
Wheaton Park	Wheaton, MD	1977	1967	74,000	95.6%	92.3%
Chevy Chase Metro Plaza	Washington, DC	1985	1975	49,000	88.5%	88.5%
Spring Valley Village	Washington, DC	2014	1941/1950/2018	85,000	85.2%	85.2%
Subtotal				2,338,000	92.6%	91.9%

(1) The leased and occupied square footage for office and retail properties includes temporary lease agreements.

Schedule of Properties
December 31, 2018

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET	LEASED % [1]	ENDING OCCUPANCY [1]
Multifamily Buildings / # units						
Clayborne / 74	Alexandria, VA	2008	2008	60,000	97.3%	95.9%
Riverside Apartments / 1,222	Alexandria, VA	2016	1971	1,001,000	97.0%	95.4%
Park Adams / 200	Arlington, VA	1969	1959	173,000	97.0%	95.5%
Bennett Park / 224	Arlington, VA	2007	2007	215,000	98.2%	97.3%
The Paramount /135	Arlington, VA	2013	1984	141,000	96.3%	93.3%
The Maxwell / 163	Arlington, VA	2014	2014	116,000	98.8%	95.7%
The Wellington / 711	Arlington, VA	2015	1960	600,000	96.3%	95.6%
Roosevelt Towers / 191	Falls Church, VA	1965	1964	170,000	96.9%	92.7%
The Ashby at McLean / 256	McLean, VA	1996	1982	274,000	97.3%	95.7%
Bethesda Hill Apartments /195	Bethesda, MD	1997	1986	225,000	95.4%	93.8%
3801 Connecticut Avenue / 307	Washington, DC	1963	1951	178,000	95.8%	93.2%
Kenmore Apartments / 374	Washington, DC	2008	1948	268,000	92.2%	91.2%
Yale West / 216	Washington, DC	2014	2011	173,000	97.7%	96.3%
Subtotal (4,268 units)				3,594,000	96.5%	94.8%
TOTAL PORTFOLIO				**9,667,000**		

[1] Leased percentage and ending occupancy calculations are based on units for multifamily buildings.

Adjusted EBITDA (a non-GAAP measure) is earnings before interest expense, taxes, depreciation, amortization, real estate impairment, casualty gain/loss, gain/loss on sale of real estate, gain/loss on extinguishment of debt, severance expense, relocation expense, acquisition and structuring expense 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.

Average occupancy is based on monthly occupied net rentable square footage as a percentage of total net rentable square footage, except for the rows labeled "Multifamily (calculated on a unit basis)," on which average occupancy is based on average monthly occupied units as a percentage of total units. The square footage for multifamily properties only includes residential space. The occupied square footage for office and retail properties includes temporary lease agreements.

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.

Ending 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 ending occupancy is calculated as occupied units as a percentage of total units as of the last day of that period.

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. Our FFO may not be comparable to FFO reported by other real estate investment trusts. These other REITs may not define the term in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently. 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, casualty gains and losses, 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 performance 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, casualty gains and losses, 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 performance 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 or loss on sale, if any), plus interest expense, depreciation and amortization, general and administrative expenses, acquisition costs, real estate impairment, casualty gains and losses, 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 each of NOI and cash NOI as a supplement to net income calculated in accordance with GAAP. As such, neither should be considered an alternative to net income as an indication of our operating performance. They are the primary performance measures we use to assess the results of our operations at the property level.

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. Beginning in Q4 2018, in cases where the space has been remeasured in accordance with criteria set by the Building Owners and Managers Association ("BOMA"), the square feet former tenant's space is adjusted to be equivalent to the square feet of the new/renewing tenant's space.

Same-store portfolio properties include properties that were owned for the entirety of the years being compared, and exclude properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared. We define development properties as those for which we have planned or ongoing major construction activities on existing or acquired land pursuant to an authorized development plan. We consider a property's development activities to be complete when the property is ready for its intended use. The property is categorized as same-store when it has been ready for its intended use for the entirety of the years being compared. We define redevelopment properties as those for which have planned or ongoing significant development and construction activities on existing or acquired buildings pursuant to an authorized plan, which has an impact on current operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. We categorize a redevelopment property as same-store when redevelopment activities have been complete for the majority of each year being compared.

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

Certain statements in our supplemental 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 supplemental 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, changes in general and local economic and real estate market conditions, the potential for federal government budget reductions, 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, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2017 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.