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): June 26, 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Shares of Beneficial Interest	WRE	NYSE

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 1.01 Entry into a Material Definitive Agreement.

On June 26, 2019, WashREIT Bradlee Shopping Center LLC, WashREIT Shoppes at Foxchase LLC, WRIT Gateway Overlook LLC, WRIT Only Village Center LLC, and WashREIT Wheaton Park Shopping Center LLC, each a Delaware limited liability company and subsidiary of Washington Real Estate Investment Trust (each individually, a "Seller," and collectively, the "Sellers") entered into a Purchase and Sale Agreement (the "Agreement"), with Global Retail Investors, LLC, a Delaware limited liability company (the "Buyer"), to sell a portfolio of five retail assets (the "Retail Portfolio") for a contract purchase price of $485.25 million. The aggregate deposit amount is approximately $15.0 million.

The five assets in the Retail Portfolio are as follows:

1. Bradlee Shopping Center - 3600 King Street, Alexandria, Virginia 22302
2. Shoppes at Foxchase - 4500-4600 Duke Street, Alexandria, Virginia 22304
3. Gateway Overlook - Little Patuxent Pkwy/Rte 175 & Waterloo Rd/Rte 108, Columbia, Maryland 21075
4. Olney Village Shopping Center - 18100 - 18330 Village Center Drive, Olney, Maryland 20832
5. Wheaton Park Shopping Center - Georgia Avenue and Shorefield Road, Wheaton, Maryland 20902

Under the terms of the Agreement, the Company expects to close the sale of the Retail Portfolio in mid-July, 2019. The Agreement is subject to closing conditions and other terms and conditions customary for real estate transactions. The disposition of the Retail Portfolio is expected to be effected through qualified intermediaries to accommodate a possible tax-deferred exchange pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended.

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

Item 7.01 Regulation FD Disclosure.

A press release issued by the Company on June 26, 2019 regarding the contracts to sell a total of eight retail assets, including the Retail Portfolio, and updating 2019 earnings guidance, is attached as Exhibit 99.1. This information is being furnished pursuant to Item 7.01 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.

On June 26, 2019, the Company posted an Investor Presentation entitled 2019 Strategic Capital Allocation Plan to its website atwww.washreit.com on the "Investor" page. A copy of the Investor Presentation is attached as Exhibit 99.2. This information is being furnished pursuant to Item 7.01 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

The following exhibits are furnished with this report on Form 8-K:

Exhibit No.	Description
99.1	Press release issued June 26, 2019
99.2	2019 Strategic Capital Allocation Plan

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

June 26, 2019
(Date)

FOR IMMEDIATE RELEASE

Contact: Tejal Engman
Phone: 202-774-3253
E-mail: tengman@washreit.com

WASHREIT ENTERS CONTRACTS TO SELL EIGHT RETAIL ASSETS, ACQUIRE AN ADDITIONAL MULTIFAMILY ASSET AND PROVIDES UPDATED 2019 EARNINGS GUIDANCE

Washington, DC, June 26th, 2019 - WashREIT (NYSE: WRE) (the "Company" or "WashREIT") has announced that it has entered into two definitive agreements with separate institutional buyers to sell a total of eight retail assets, including all three of its power centers. The Company has also updated its 2019 earnings guidance and provided a blended estimated capitalization rate (1) of approximately 6.2% for the sale of its eight retail assets.

"Our 2019 strategic capital allocation plan marks a watershed moment for WashREIT as it is expected to grow the percentage of NOI (2) contributed by our multifamily portfolio to approximately 45% and reduce our retail portfolio to approximately 6% of NOI on a proforma basis, assuming we complete the dispositions and acquisitions assumed in our 2019 guidance," said Paul T. McDermott, President and CEO of WashREIT. "By year-end, we expect to have significantly de-risked and strengthened our cash flows and recycled approximately 75% of the large capital gains embedded in our retail portfolio. In addition, we expect to have increased visibility on the upward inflection of our quarterly Core FFO (3) and our long-term cash flow."

The first sale agreement provides for the disposition of the following five retail assets, which total approximately 800,000 square feet and are expected to generate gross proceeds of approximately $485 million:

1. Gateway Overlook, Columbia, MD
2. Wheaton Park, Wheaton, MD
3. Olney Village Center, Olney, MD
4. Bradlee Shopping Center, Alexandria, VA
5. Shoppes of Foxchase, Alexandria, VA

The second sale agreement provides for the disposition of WashREIT's power center assets – Centre at Hagerstown, Hagerstown, MD; Frederick Crossing, Frederick, MD; and Frederick County Square, Frederick, MD – totaling approximately 850,000 square feet. The Company plans to announce gross proceeds for the second sale upon completion of the transaction.

In additional transactions, WashREIT has contracted to acquire an urban-infill, value-add multifamily asset by late-July for approximately $70 million, and has closed today on the previously announced sale of Quantico Corporate Center (925 and 1000 Corporate Drive) in Stafford, VA, for gross proceeds of approximately $33 million.

As the Company outlines in its presentation titled "2019 Strategic Capital Allocation Plan" located in the investor section of its website, WashREIT expects its 2019 strategic capital allocation plan to:

- Continue to de-risk its portfolio and improve the stability of its cash flows by significantly reducing exposure to retail leasing and credit risk
- Improve cash flow strength as leasing and recurring capital expenditures as a percentage of NOI have historically been higher for retail than they have for multifamily and are expected to continue to rise

Updated 2019 Earnings Guidance

WashREIT's updated 2019 Core FFO guidance is expected to range from $1.68 to $1.72 from a previous range of $1.74 to $1.78 per fully diluted share. The following assumptions and related explanatory notes are included in this guidance:

Retail Dispositions to Fund Multifamily Acquisitions:

- The first retail sales tranche referenced above, consisting of five retail assets for $485 million of gross proceeds, is expected to close in late-July
- The second retail sales tranche referenced above, consisting of the three power centers is expected to close in either late July or early August. Gross proceeds will be disclosed upon completion of the transaction
- The expected blended sales capitalization rate for the eight retail assets is approximately 6.2% based on WashREIT's estimated 2019 NOI contribution from these assets
- The sale of the eight retail assets on the above referenced timeline reduces previously forecasted 2019 NOI by approximately $16 million. For a full year, these assets had been expected to contribute approximately $35.5 million

Other Commercial (Office and Retail) Dispositions:

- The previously announced sale of Quantico Corporate Center (925 and 1000 Corporate Drive) in Stafford, VA, for approximately $33 million has been completed as of today and is expected to reduce previously forecasted 2019 NOI by approximately $2 million
- WashREIT expects to complete an additional $125 to $175 million of to-be-determined commercial (office and retail) asset sales close to year-end, at a blended capitalization rate that could range from 6.5% to 7%

Multifamily Acquisitions:

- The acquisition of the two remaining Maryland assets in the previously announced acquisition of the seven-property Assembly portfolio are expected to close this week for approximately $82 million
- The seven Assembly assets, if the remaining acquisition is completed, are expected to contribute between $15.25 and $15.5 million to 2019 NOI
- As mentioned above, the Company has contracted to acquire an urban-infill, value-add multifamily acquisition by late-July for approximately $70 million. If completed, this additional acquisition is expected to contribute $1.50 to $1.75 million to 2019 NOI
- WashREIT expects its 2019 multifamily acquisitions to initially generate approximately $28.7 million of NOI on a combined, annualized basis

Operations and Finance:

- Same-store office NOI decline is tightened to a range of -5.25% to -4.50%, from a prior range of -5.25% to -4.25% as Quantico will be excluded from the same-store pool
- Same-store multifamily NOI growth is projected to range from 4.0% to 4.5% from a prior range of 3.75% to 4.25%
- Same-store retail NOI for the remainder of the retail portfolio is projected to range from $13 to $13.25 million
- Same-store NOI change is projected to range from -1.50% to -0.50% from a range of -0.50% to 0.50% as office has a greater impact on same-store NOI following the sale of retail assets. The office pool is being negatively impacted by large lease expirations and renewals in 2019, the majority of which have been backfilled or renewed with rents commencing throughout 2020
- Development expenditures are projected to range from $55 to $60 million from a prior range of $65 to $70 million
- The annual impact of the adoption of the new lease accounting standard ASC 842 as of January 1, 2019 remains projected to range from $1 million and $1.5 million in 2019
- After considering Core FFO adjustments, general and administrative expense is projected to range from approximately $20.25 to $21.25 million from a prior range of $18 to $18.75 million. The increase is due to costs related to the strategic transactions detailed above
- Interest expense is projected to range from approximately $54.25 to $54.75 million from a prior range of $51 to $51.75 million due to the additional expense related to interim financing for the strategic transactions detailed above
- Non same-store NOI is projected to range from $54.75 to $56.25 million, which includes $33.5 to $34.5 million from the office and multifamily properties the Company intends to hold

The non same-store office pool in 2019 consists of Arlington Tower, which was acquired in 2018 and Quantico Corporate Center (925 and 1000 Corporate Drive), which has now been sold.

By the end of 2019, assuming completion of the contemplated transactions, the non same-store multifamily pool will consist of the seven Assembly assets the Company is acquiring in 2019 as well as the planned, urban-infill, value-add acquisition WashREIT expects to complete in late July.

By the end of 2019, assuming completion of the contemplated transactions, non same-store retail NOI will consist of NOI from the following eight retail assets that are expected to be sold: Gateway Overlook, Wheaton Park, Olney Village Center, Bradlee Shopping Center, Shoppes of Foxchase, Centre at Hagerstown, Frederick Crossing and Frederick County Square.

WashREIT'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. WashREIT may change the guidance provided during the year as actual and anticipated results vary from these assumptions.

For additional analyses on the impact of the Company’s strategic capital allocation plan, please refer to the presentation titled “2019 Strategic Capital Allocation Plan” located in the investor section of the Company’s website.

The closing of each of the acquisitions and dispositions currently under contract is subject to the satisfaction of customary closing conditions, and no assurance can be given as to the timing or ultimate completion of these transactions.

The acquisitions of the Virginia properties in the Assembly portfolio were, and the retail dispositions and the acquisitions of the Maryland properties in the Assembly portfolio are expected to be, effectuated through qualified intermediaries to accommodate possible tax-deferred exchanges pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended.

The assumptions related to dispositions referenced above update earlier guidance assumptions that dispositions were projected to range from $175 million to $200 million. The assumptions related to acquisitions referenced above update earlier guidance assumptions that no acquisitions were assumed.

2019 Guidance Reconciliation Table

A reconciliation of projected net loss attributable to the controlling interests per diluted share to projected Core FFO per diluted share for the year ending December 31, 2019, reflecting the disposition and acquisition assumptions above, is as follows:

Reconciliation	Low	High
Net loss attributable to the controlling interests per diluted share [(a)]	$ (0.12)	$ (0.08)
Real estate impairment	0.10	0.10
Depreciation [(a)]	1.68	1.68
NAREIT FFO per diluted share	1.66	1.70
Core adjustments	0.02	0.02
Core FFO per diluted share	$ 1.68	$ 1.72

[(a)] Includes impact from completed and planned acquisitions and identified dispositions during the year. Gains or losses on dispositions are yet to be determined and are currently excluded.

WashREIT 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. As of June 26, 2019, the Company's portfolio of 51 properties includes more than 5.8 million square feet of commercial space and 5,953 multifamily apartment units. Our shares trade on the NYSE and our company currently has an enterprise value of more than $3 billion. With a track record of driving returns and delivering satisfaction, we are a trusted authority in one of the nation's most competitive real estate markets.

Certain statements in this press release 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 risk that any of the assumptions on which our updated 2019 earnings guidance is based are incorrect, the risk of failure to enter into and/or complete contemplated acquisitions and dispositions at all, within the price ranges anticipated and on the terms and timing anticipated; 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 ecommerce; 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 2018 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.*

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(1) Capitalization rate is calculated by dividing the estimated 2019 NOI contribution from such assets by the estimated total gross proceeds that the Company expects to generate from their sale. Capitalization rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including the risk that each of or both of the estimated 2019 NOI contribution from the assets or the estimated total gross proceeds from the sale of such assets change, as well as those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2018

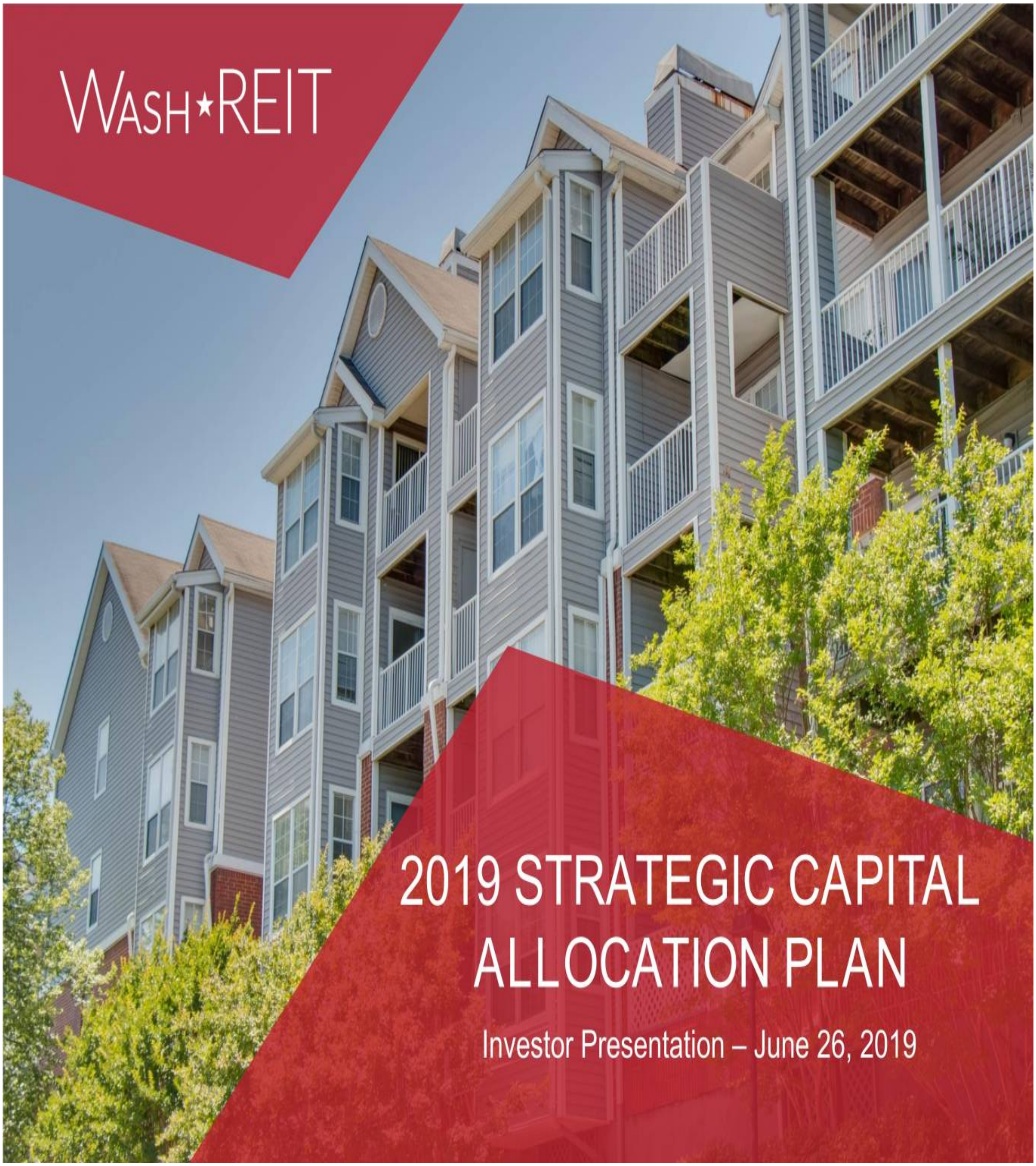
(2) Net Operating Income (“NOI”), defined as real estate rental revenue less real estate expenses, is a non-GAAP measure. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain or loss on sale, if any), plus interest expense, depreciation and amortization, general and administrative expenses, acquisition costs, real estate impairment and gain or loss on extinguishment of debt. We believe that NOI is a useful performance measure because, when compared across periods, it reflects 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 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 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 should not be considered an alternative to these measures as an indication of our operating performance.

(3) Core Funds From Operations (“Core FFO”) is calculated by adjusting NAREIT FFO[5] 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

(4) 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.

[5] NAREIT Funds from operations ("NAREIT FFO") is defined by National Association of Real Estate Investment Trusts, Inc. ("NAREIT") in its NAREIT FFO White Paper - 2018 Restatement, 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 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.

This Press Release also includes certain forward-looking non-GAAP information. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these estimates, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable efforts.


WASH★REIT
2019 STRATEGIC CAPITAL
ALLOCATION PLAN
Investor Presentation – June 26, 2019

DISCLOSURES

Forward-Looking Statements

Certain statements in this press release 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 risk that any of the assumptions on which our pro formas is based are incorrect, risk of failure to enter into and/or complete contemplated acquisitions and dispositions at all, within the price ranges anticipated and on the terms and timing anticipated; 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 ecommerce; 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 2018 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 to reflect new information, future events, or otherwise.

Use of Non-GAAP Financial Measures and other Definitions

This presentation contains certain non-GAAP financial measures and other terms that have particular definitions when used by us. The definitions and calculations of these non-GAAP financial measures and other terms may differ from those used by other REITs and, accordingly, may not be comparable. Please refer to the definitions and calculations of these terms and the reasons for their use, and reconciliations to the most directly comparable GAAP measures included later in this investor presentation.

Basis of presentation

This presentation assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. Except with respect to those transactions that have actually closed (the acquisition of the five Virginia assets in the seven-property Assembly portfolio and the sale of Quantico Corporate Center), no assurance can be given as to the timing, final transaction terms or ultimate completion of these transactions. In the event that any or all of the transactions or proposed transactions that have not yet closed do not eventually close or do not close on the timing and for the values anticipated, the anticipated results presented in this investor presentation may not be achieved. Additionally, even in the event that all of the transactions under contract close and the proposed transactions become under contract and subsequently close, on time and for the values anticipated, in each case, we can give no assurance that the potential results presented in this investor presentation will be achieved.

Reconciliation

This presentation also includes certain forward-looking non-GAAP information. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these estimates, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable efforts.

2019 STRATEGIC CAPITAL ALLOCATION PLAN: FOUR KEY THEMES

1. SIMPLIFYING

- 2 MAIN ASSET CLASSES – OFFICE & MULTIFAMILY
- 1 REGION – THE DC METRO

2. DE-RISKING

- GREATER CASH FLOW STABILITY AND STRENGTH
- RECYCLING MAJORITY OF LARGE CAPITAL GAINS EMBEDDED IN RETAIL PORTFOLIO

3. POSITIONING FOR OUTPERFORMANCE regional sector trends

- GREATER EXPOSURE TO FAST-GROWING NORTHERN VIRGINIA
- GREATER EXPOSURE TO VALUE-ADD, CLASS B MULTIFAMILY

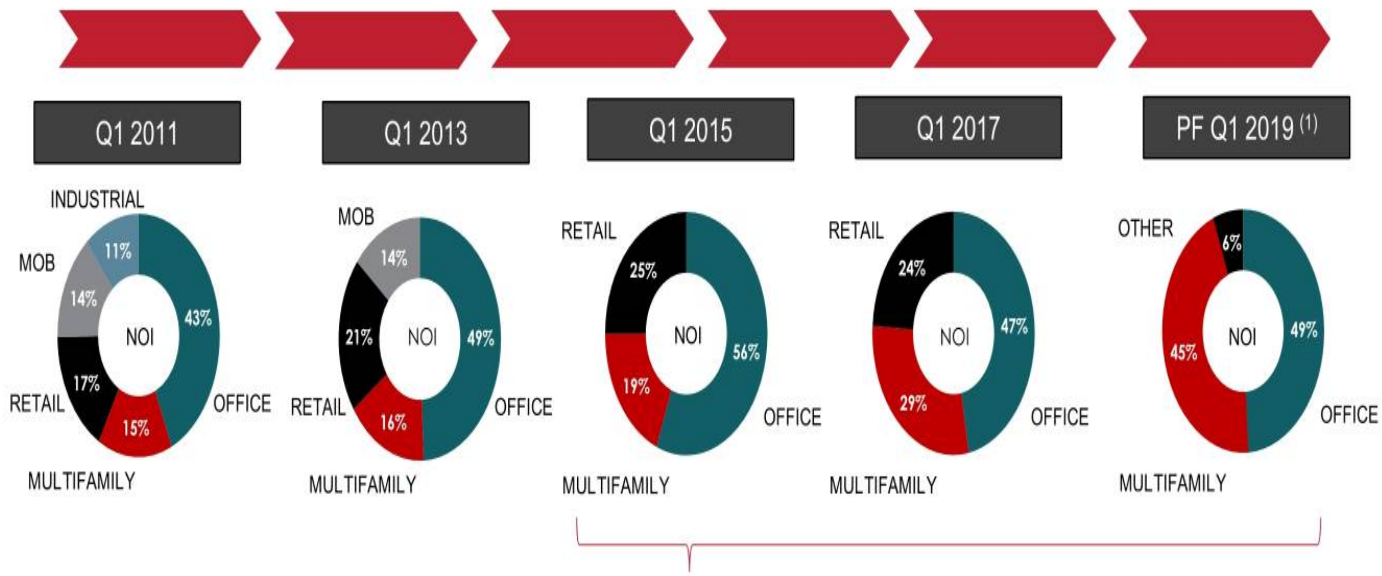
4. VISIBILITY ON UPWARD INFLECTION IN GROWTH

- DUE TO LARGE OFFICE LEASE COMMENCEMENTS & TROVE LEASE-UP

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: SIMPLIFYING

TRANSFORMING BY SIMPLIFYING



Management has focused on:

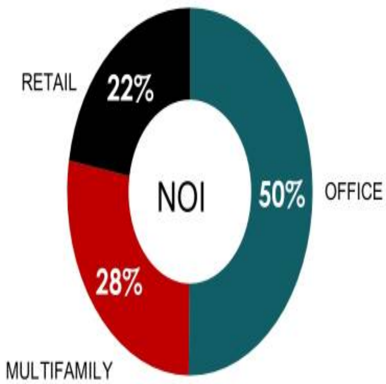
- Growing value-add Class B multifamily
  - Acquired The Wellington, Arlington, VA in 2015
  - Acquired Riverside Apartments, Alexandria, VA in 2016
  - Acquiring The Assembly Portfolio in VA + MD in 2019
  - Under contract to acquire an additional, urban in-fill multifamily asset in 2019
- De-risking the overall portfolio
  - Sold the suburban Maryland office portfolio in 2016
  - Recycled Braddock Metro Center, Alexandria, VA into Arlington Tower, Arlington, VA in 2018
  - Recycled 2445 M Street NW, West End, DC, into Watergate 600, Waterfront, DC in 2017 and 2018
  - Reduced single tenant office risk by 50% in 2018
  - Sold Quantico Corporate Center and plans to sell additional office assets and the majority of retail NOI in 2019

(1) Based on pro forma Q1 2019 expectations assuming the sale of the 8 retail assets and Quantico, the acquisition of the Assembly portfolio, the additional $70M urban-infill, value-add multifamily acquisition and assuming ~$150 million of commercial dispositions in the second half of 2019. See Definitions for additional information.

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will occur. **See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: DE-RISKING

BEFORE		AFTER
Q1 2019		PRO FORMA Q1 2019



DE-RISKING
BY
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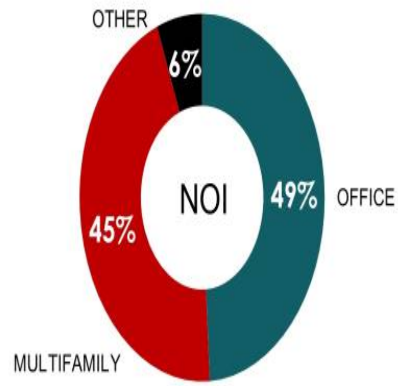


BEFORE		AFTER
RETAIL NOI 'AT RISK'(1)		RETAIL NOI 'AT RISK'(1)
$6.5M	CASH FLOW STABILITY	$0.5M
	+	
OVERALL CAPEX AS A % OF NOI(2) (WTD. AVG)		OVERALL CAPEX AS A % OF NOI(2) (WTD. AVG)
17.1%	CASH FLOW STRENGTH	16.5%
	+	

REDUCED CAPITAL GAINS BY AN ESTIMATED ~$350 MILLION(3)

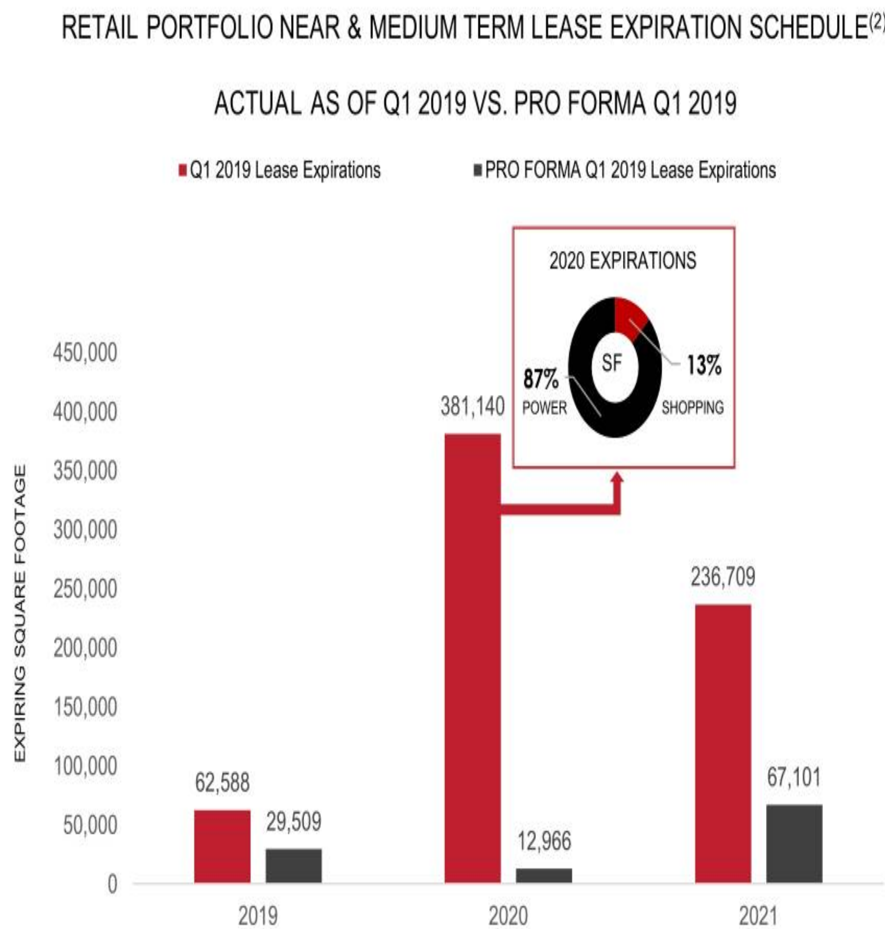
(1) Based on retail leases expiring in 2019 and 2020 that have a 50% or lower probability of renewal
(2) Based on five year average FAD (leasing + recurring) capex to NOI % (2014 – 2018) for Office, Multifamily and Retail NOI applied to Q1 2019 and pro forma Q1 2019 NOI
(3) Estimates as of June 2019 based on definitive agreements for retail assets held for sale as well as market estimates for the assets not held for sale as of June 2019

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: DE-RISKING

SEEKING CASH FLOW STABILITY

In addition to reducing 2019 and 2020 retail NOI 'at risk' by ~90%(1) , we are also significantly improving our near and medium term retail lease expiration schedule.



(1) Based on retail leases expiring in 2019 and 2020 that have a 50% or lower probability of renewal
(2) See Q1 2019 Supplemental with additional disclosures

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: DE-RISKING

SEEKING CASH FLOW STRENGTH

5-YR HISTORICAL AVG. LEASING + RECURRING CAPEX AS A % OF NOI

MULTIFAMILY = ~7%

RETAIL = ~10%

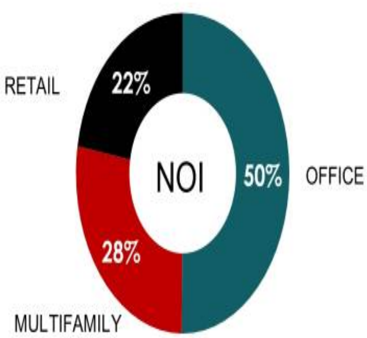
(Retail capex as a % of NOI has risen to 13% in 2019 and is expected to rise to 16% in 2020)

OFFICE = ~26%

BEFORE

17.1% overall capex as % of NOI(1)

Q1 2019



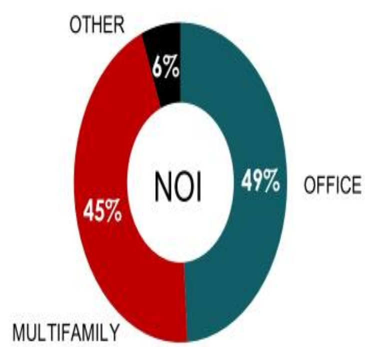
SHIFT TO GREATER MULTIFAMILY IS EXPECTED TO STRENGTHEN CASH FLOWS AND FAD GROWTH

WE DO NOT ANTICIPATE A DIVIDEND CUT

AFTER

16.5% overall capex as % of NOI(1)

PROFORMA Q1 2019



Source: WashREIT Financial Planning and Analysis Forecasts

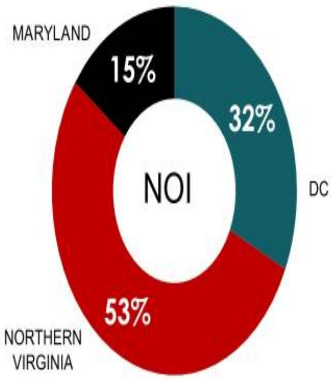
(1) Based on five year average FAD (leasing + recurring) capex to NOI % (2014 – 2018) for Office, Multifamily and Retail NOI applied to Q1 2019 and pro forma Q1 2019 NOI

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: POSITIONED TO OUTPERFORM

BEFORE

Q1 2019

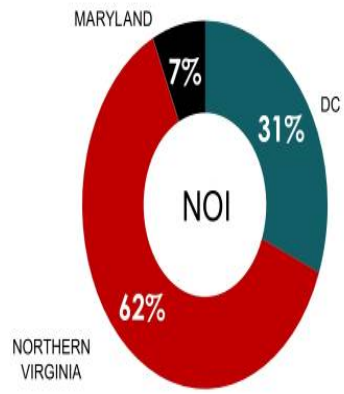


MORE NORTHERN VIRGINIA CENTRIC

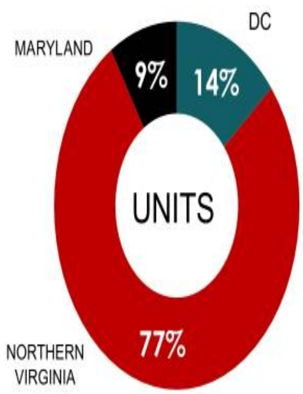
~91% OF DC METRO JOB GROWTH IS CONCENTRATED IN NORTHERN VIRGINIA(1)

AFTER (2)

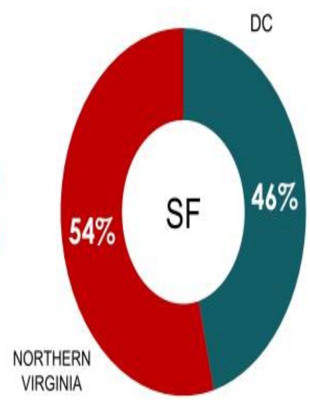
PRO FORMA Q1 2019



PRO FORMA MULTIFAMILY (3)



PRO FORMA OFFICE (3)



(1) Stephen S. Fuller Institute data showing that in April 2019, Northern Virginia added 26,900 jobs compared to April 2018 and accounted for 90.9% of the total net gain in region

(2) Based on pro forma Q1 2019 expectations assuming the sale of the 8 retail assets and Quantico, the acquisition of the Assembly portfolio, the additional $70M urban-infill, value-add multifamily acquisition and assuming ~$150million of commercial dispositions in the second half of 2019. See Definitions for additional information.

(3) Based on pro forma Q1 2019 expectations assuming the sale of the 8 retail assets and Quantico, the acquisition of the Assembly portfolio, the additional $70M urban-infill, value-add multifamily acquisition. Because the proposed dispositions of $150 million of commercial assets involve properties that have yet to be determined, the pro formas for square footage and units do not reflect the $150 million disposition of commercial assets. See Definitions for additional information.

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: POSITIONING FOR OUTPERFORMANCE

PRO FORMA OFFICE PORTFOLIO (3)

SQUARE FOOTAGE DISTRIBUTION

~5%: ALEXANDRIA

Upcoming: $1bn Virginia Tech Campus

~11%: DC CLASS A

Iconic and irreplaceable assets

~35%: DC CLASS B

100% Metro-Served

JLL: **"Well-positioned"**(2)

Growth catalysts:

- B supply continues to be taken offline
- Positive net effective rents due to demand for value-oriented DC office by small tenants

~49%: NORTHERN VIRGINIA TECH/DEFENSE CORRIDOR

100% Metro-Served

JLL: **"Rising Phase"**(1)

Growth catalysts:

- Tech growth
- Defense budget growth
- Infrastructure
- Silverline Metro Extension

(1) JLL Metro DC Office Observations 4Q2018

(2) JLL Washington DC Office Observations 4Q2018

(3) Based on pro forma Q1 2019 expectations assuming the sale of the 8 retail assets and Quantico, the acquisition of the Assembly portfolio, the additional $70M urban-infill, value-add multifamily acquisition. Because the proposed dispositions of $150 million of commercial assets involve properties that have yet to be determined, the pro formas for square footage and units do not reflect the $150 million disposition of commercial assets. See Definitions for additional information.

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: POSITIONING FOR OUTPERFORMANCE

PRO FORMA MULTIFAMILY PORTFOLIO (2)
UNIT DISTRIBUTION

~7%: NORTHERN VIRGINIA CLASS A

100% or 461 units within a 5 mile radius of Amazon HQ2

~10%: MARYLAND VALUE-ADD CLASS B

83% (1) or 519 units with potential for unit renovations with low to mid-teens ROC

~10%: DC VALUE-ADD CLASS B

100%
Or 681 units within 1 mile of Metro

50%(1)
or 340 units with potential for unit renovations with low to mid-teens ROC

~3%: DC CLASS A

100% or 216 units within half a mile of Metro and a 5 mile radius of Amazon HQ2

~70%: NORTHERN VIRGINIA VALUE-ADD CLASS B

83%
Or 3,879 units within 1 mile of Metro

66%
Or 3,077 within a 5 mile radius of Amazon HQ2

51%(1)
Or 2,395 units with potential for unit renovations with low to mid-teens ROC

(1) Units with renovation potential may not be part of WashREIT's near or medium unit renovation plans, which are determined using a variety of factors and dependent upon turnover
(2) Based on pro forma Q1 2019 expectations assuming the sale of the 8 retail assets and Quantico, the acquisition of the Assembly portfolio, the additional $70M urban-infill, value-add multifamily acquisition. See Definitions for additional information.

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

2019 STRATEGIC CAPITAL ALLOCATION: VISIBILITY ON GROWTH

KEY DRIVERS

2019 vs. 2018

OFFICE

Large office lease expirations/known vacates across the office portfolio

MULTIFAMILY

Trove delivery of units anticipated to commence in fourth quarter 2019

MULTIFAMILY

4.0% - 4.5% same-store NOI Growth Assumption

2020 vs. 2019

WATERGATE 600, WATERFRONT, DC

Lease for the top two floors scheduled to commence in early 2020

RENDERING OF THE TROVE, ARLINGTON, VA

Trove on pace to achieve NOI breakeven in 2H 2020 and keep growing

2021 vs. 2020

ARLINGTON TOWER, ARLINGTON, VA + STREET VIEW OF DC

Large lease commencements expected at Arlington Tower and across the DC B portfolio are anticipated in 2H 2020 expected to positively impact 2021

RENDERING OF THE TROVE, ARLINGTON, VA

Trove expected to stabilize in 2021

Continuing to build on strong, organic multifamily growth

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

TIMELINE OF 2019 COMPLETED, UNDER CONTRACT AND POTENTIAL TRANSACTIONS

Q1 2019	Q2 2019	Q3 2019	Q4 2019
Acquisition N/A Disposition N/A	Acquisition ☑ Assembly's 5 assets in Northern Virginia for $379M (completed) ☐ Assembly's 2 assets in Maryland for $82M (under contract) Disposition ☑ Quantico for $33M (completed)	Acquisition ☐ Multifamily asset for $70M (under contract) Disposition ☐ 5 Shopping Center assets for ~$485M (under contract) ☐ 3 Power Center assets (under contract)	Acquisition N/A Disposition ☐ Commercial assets (to be determined) for $125M - $175M
Projected Net Debt / TTM EBITDA 6.4x	Projected Net Debt / TTM EBITDA ~8.7x	→	Projected Net Debt / TTM EBITDA 5.8x – 6.5x

Note: Assumes that a number of transactions have closed, including a number of transactions that are currently under contract or have not yet become under contract and remain to be determined. The Company can give no assurance that such transactions will **occur. See "Disclosures."**

FINANCIALS FROM Q1 2019 SUPPLEMENTAL

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

	Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Funds from operations[1]					
Net (loss) income	$ (4,405)	$ 5,688	$ 5,893	$ 10,750	$ 3,299
Real estate depreciation and amortization	29,547	31,109	30,272	29,878	29,969
Gain on sale of depreciable real estate	—	—	—	(2,495)	—
Real estate impairment	8,374	—	—	—	1,886
NAREIT funds from operations (FFO)	33,516	36,797	36,165	38,133	35,154
Loss on extinguishment of debt	—	—	—	—	1,178
Restructuring expenses	1,896	—	—	—	—
Core FFO[1]	$ 35,412	$ 36,797	$ 36,165	$ 38,133	$ 36,332
Allocation to participating securities[2]	(134)	(93)	(144)	(144)	(144)
NAREIT FFO per share - basic	$ 0.42	$ 0.46	$ 0.46	$ 0.48	$ 0.45
NAREIT FFO per share - fully diluted	$ 0.42	$ 0.46	$ 0.45	$ 0.48	$ 0.45
Core FFO per share - fully diluted	$ 0.44	$ 0.46	$ 0.45	$ 0.48	$ 0.46
Common dividend per share	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Average shares - basic	79,881	79,748	79,076	78,520	78,483
Average shares - fully diluted (for NAREIT FFO and Core FFO)	79,979	79,760	79,238	78,616	78,547

[1] See "Definitions" on slide 19 for the definitions of NAREIT FFO and Core FFO.
[2] Restructuring expenses include severance, accelerated share-based compensation and other expenses related to a restructuring of corporate personnel.
[3] Adjustments to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS.

FINANCIALS FROM Q1 2019 SUPPLEMENTAL

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

	Three Months Ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Funds available for distribution (FAD) [(1)]					
NAREIT FFO	$ 33,516	$ 36,797	$ 36,165	$ 38,133	$ 35,154
Non-cash loss on extinguishment of debt	—	—	—	—	1,178
Tenant improvements and incentives	(2,269)	(10,730)	(5,808)	(2,330)	(4,667)
External and internal leasing commissions capitalized	(503)	(3,556)	(957)	(896)	(447)
Recurring capital improvements	(318)	(2,110)	(752)	(469)	(623)
Straight-line rent, net	(824)	(959)	(1,058)	(1,123)	(1,203)
Non-cash fair value interest expense	(212)	(214)	(215)	(217)	(219)
Non-real estate depreciation and amortization of debt costs	1,001	989	997	945	956
Amortization of lease intangibles, net	578	372	430	420	620
Amortization and expensing of restricted share and unit compensation	2,826	1,682	1,694	1,830	1,540
FAD	33,795	22,271	30,496	36,293	32,289
Restructuring expenses (excluding accelerated share-based compensation)	915	—	—	—	—
Core FAD [(1)]	$ 34,710	$ 22,271	$ 30,496	$ 36,293	$ 32,289

[(1)] See "Definitions" on slide 19 for the definitions of FAD and Core FAD.

FINANCIALS FROM Q1 2019 SUPPLEMENTAL

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

	Three Months Ended March 31, 2019				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	$ 24,335	$ 36,810	$ 16,546	$ —	$ 77,691
Non same-store [(1)]	—	5,483	—	—	5,483
Total	24,335	42,293	16,546	—	83,174
Real estate expenses					
Same-store portfolio	9,470	13,872	4,516	—	27,858
Non same-store [(1)]	—	1,352	—	—	1,352
Total	9,470	15,224	4,516	—	29,210
Net Operating Income (NOI)					
Same-store portfolio	14,865	22,938	12,030	—	49,833
Non same-store [(1)]	—	4,131	—	—	4,131
Total	$ 14,865	$ 27,069	$ 12,030	$ —	$ 53,964
Same-store portfolio NOI (from above)	$ 14,865	$ 22,938	$ 12,030	$ —	$ 49,833
Straight-line revenue, net for same-store properties	3	(662)	63	—	(596)
Amortization of acquired lease assets (liabilities) for same-store properties	1	(204)	(167)	—	(370)
Amortization of lease intangibles for same-store properties	—	734	48	—	782
Same-store portfolio cash NOI	$ 14,869	$ 22,806	$ 11,974	$ —	$ 49,649
Reconciliation of NOI to net income					
Total NOI	$ 14,865	$ 27,069	$ 12,030	$ —	$ 53,964
Depreciation and amortization	(8,354)	(17,265)	(3,742)	(186)	(29,547)
General and administrative expenses	—	—	—	(7,429)	(7,429)
Lease origination expenses	—	—	—	(378)	(378)
Interest expense	(521)	—	(145)	(11,975)	(12,641)
Real estate impairment	—	—	—	(8,374)	(8,374)
Net income (loss)	5,990	9,804	8,143	(28,342)	(4,405)
Net income attributable to noncontrolling interests	—	—	—	—	—
Net income (loss) attributable to the controlling interests	$ 5,990	$ 9,804	$ 8,143	$ (28,342)	$ (4,405)

(1) For a list of non-same-store properties, see slide 18.

FINANCIALS FROM Q1 2019 SUPPLEMENTAL

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

	Quarter Ended December 31, 2018				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	$ 24,026	$ 37,312	$ 15,659	$ —	$ 76,997
Non same-store [(1)]	—	5,904	—	—	5,904
Total	24,026	43,216	15,659	—	82,901
Real estate expenses					
Same-store portfolio	9,223	14,068	3,742	—	27,033
Non same-store [(1)]	—	1,222	—	—	1,222
Total	9,223	15,290	3,742	—	28,255
Net Operating Income (NOI)					
Same-store portfolio	14,803	23,244	11,917	—	49,964
Non same-store [(1)]	—	4,682	—	—	4,682
Total	$ 14,803	$ 27,926	$ 11,917	$ —	$ 54,646
Same-store portfolio NOI (from above)	$ 14,803	$ 23,244	$ 11,917	$ —	$ 49,964
Straight-line revenue, net for same-store properties	3	(561)	(157)	—	(715)
Amortization of acquired lease assets (liabilities) for same-store properties	—	(336)	(170)	—	(506)
Amortization of lease intangibles for same-store properties	—	660	51	—	711
Same-store portfolio cash NOI	$ 14,806	$ 23,007	$ 11,641	$ —	$ 49,454
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 expenses	—	—	—	(5,352)	(5,352)
Interest expense	(522)	—	(151)	(11,824)	(12,497)
Net income (loss)	6,201	8,735	8,114	(17,362)	5,688
Net income attributable to noncontrolling interests	—	—	—	—	—
Net income (loss) attributable to the controlling interests	$ 6,201	$ 8,735	$ 8,114	$ (17,362)	$ 5,688

[(1)] For a list of non-same-store properties, see slide 18.

SAME-STORE PORTFOLIO FROM Q1 2019 SUPPLEMENTAL

Same-Store Portfolio Net Operating Income (NOI) Growth
2019 vs. 2018

	Three Months Ended March 31,		
	2019	2018	% Change
Cash Basis:			
Multifamily	$ 14,869	$ 14,247	4.4%
Office	22,806	22,290	2.3%
Retail	11,974	11,290	6.1%
Overall Same-Store Portfolio [1]	$ 49,649	$ 47,827	3.8%
GAAP Basis:			
Multifamily	$ 14,865	$ 14,245	4.4%
Office	22,938	22,652	1.3%
Retail	12,030	11,511	4.5%
Overall Same-Store Portfolio [1] [2]	$ 49,833	$ 48,408	2.9%

[1] Non same-store properties were:
- Acquisitions:
  - Office - Arlington Tower
- Sold properties:
  - Office - Braddock Metro Center and 2445 M Street

[2] Same-store NOI includes leases termination fees totaling $0.6 million and $0.4 million for the three months ended March 31, 2019 and 2018, respectively. The lease termination fees are spread across the multifamily, office and retail segments.

DEFINITIONS

Adjusted EBITDA (a non-GAAP measure) 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, restructuring expenses (which include severance, accelerated share-based compensation and other expenses related to a restructuring of corporate personnel), acquisition expenses and gain 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 its NAREIT FFO White Paper – 2018 Restatement, 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, severance expenses and other expenses related to corporate restructuring 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 executive transition costs, severance expenses and other expenses related to corporate restructuring 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.

DEFINITIONS

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.

Pro forma NOI Certain financial measures and other information have been adjusted to reflect the actual results of WashREIT for the first quarter of 2019 and assuming the sale of 8 retail assets, the sale of Quantico Corporate Center and the estimated financial information for each of: the acquisition of the Assembly portfolio, the acquisition of an additional $70M urban-infill, value add multifamily acquisition, and the disposition of approximately $150 million of to-be-determined commercial assets in the second half of 2019. The acquisition of the five Virginia assets in the seven-property Assembly portfolio and the sale of Quantico Corporate Center are the transactions that have actually closed. These measures and information are presented as of the most recent fiscal quarter, despite that the transactions discussed herein may not close until Q4, if at all. As, discussed elsewhere in this investor presentation, WashREIT can give no assurance that any transaction described or identified herein will close on the timing anticipated, or at all, and can give no assurance that any proposed transaction will result in definitive documentation or will eventually close. When presenting such information, the amounts are identified as "Pro forma Q1 2019 or PF Q1 2019" on a NOI basis.

Pro forma for square footage or units Certain financial measures or other information have been adjusted to reflect the actual results of WashREIT for the first quarter of 2019 and assuming the sale of 8 retail assets, the sale of Quantico Corporate Center and the estimated financial information for each of: the acquisition of the Assembly portfolio and the acquisition of an additional $70M urban, in-fill, value-add multifamily acquisition. Because the proposed dispositions of $150 million of commercial assets involve properties that have yet to be determined, the pro formas for square footage and units do not reflect the $150 million disposition of commercial assets. The acquisition of the five Virginia assets in the seven-property Assembly portfolio and the sale of Quantico Corporate Center are the transactions that have actually closed. These measures and information are presented as of the most recent fiscal quarter, despite that transactions discussed herein may not close until Q4, if at all. As discussed elsewhere in this investor presentation, WashREIT can give no assurance that any transaction described or identified herein will close on the timing anticipated or at all and can give no assurance that any proposed transaction will result in definitive documentation or will eventually close. When presenting such information, the amounts are identified as "Pro forma Office" or "Pro forma Multifamily".