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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 29, 2020

**WASHINGTON REAL ESTATE
INVESTMENT TRUST**

(Exact name of registrant as specified in its charter)

Maryland
(State of incorporation)

001-06622
(Commission File Number)

53-0261100
(IRS Employer Identification Number)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 2.02 Results of Operations and Financial Condition

and

Item 7.01 Regulation FD Disclosure.

A press release issued by the Registrant on October 29, 2020 regarding earnings for the three and nine months ended September 30, 2020, 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 October 29, 2020 regarding earnings for the three and nine months ended September 30, 2020
99.2	Certain supplemental information not included in the press release
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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

October 29, 2020

(Date)



FOR IMMEDIATE RELEASE

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October 29, 2020

WASHREIT ANNOUNCES THIRD QUARTER 2020 RESULTS

Washington Real Estate Investment Trust (“WashREIT” or the “Company”) (NYSE: WRE), a leading owner and operator of multifamily and commercial properties in the Washington, DC area, reported financial and operating results today for the quarter ended September 30, 2020:

Financial Results

- Net loss attributable to controlling interests was \$1.0 million, or \$0.01 per diluted share
- NAREIT FFO⁽¹⁾ was \$29.5 million, or \$0.36 per diluted share
- Core FFO⁽¹⁾ was \$0.36 per diluted share

Operational Highlights

- Net Operating Income (NOI)⁽²⁾ was \$44.6 million
- Same-store⁽³⁾ NOI declined 4.9% and cash NOI declined 4.1% compared to the third quarter of 2019 due primarily to lower commercial parking income and higher credit loss related to COVID-19
- Cash collection rates improved from the second quarter of 2020
- Total credit losses related to COVID-19 of \$0.8 million improved slightly from the second quarter of 2020
- Multifamily occupancy at quarter end excluding Trove increased 30 basis points compared to the second quarter of 2020, Office ending occupancy declined 20 basis points, and Other⁽⁵⁾ ending occupancy increased 280 basis points compared to the second quarter of 2020
- Multifamily new and renewal lease rates⁽⁴⁾ for suburban properties increased approximately 1.1% on a blended basis while urban property lease rates declined 2.9% on a blended basis. Total new and renewal lease rates declined 1.7% on a blended basis during the quarter.

Financing Activity

- Executed a \$350 million 10-year 3.44% Green Bond, the closing and funding of which is expected to occur no later than December 29, 2020. The Company intends to allocate the net proceeds from the offering to finance or refinance recently completed and future green building and energy efficiency, sustainable water and wastewater management and renewable energy projects (“Eligible Green Projects”). Pending allocation to such Eligible Green Projects, WashREIT expects to repay \$300 million of existing term loans with the balance to pay down amounts due under the revolving credit facility. Following the closing and funding of the Green Bond and the repayment of the term loans, the Company will have no debt maturing until the fourth quarter of 2022.
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Liquidity Position

- Available liquidity of approximately \$520 million as of September 30 consisting of the remaining capacity under the Company's \$700 million revolving credit facility and cash on hand
- The Company has no secured debt and believes that it has the ability to access the capital markets if needed

Cash Collections

Multifamily

- Collected 99% of cash rent and 99% of contractual rent due during the third quarter
- Deferred \$60 thousand of rent due from multifamily residents, net, ⁽⁶⁾ year-to-date

Commercial

- Collected 97% of cash rent and 99% of contractual rent due from office tenants during the third quarter
- Deferred \$1.4 million of rent due from office tenants, net, year-to-date
- Collected 88% of cash rent and 95% of contractual rent due from retail tenants during the third quarter
- Deferred \$1.0 million of rent due from retail tenants, net, year-to-date

"Our portfolio has demonstrated strong, stable credit performance and the Washington Metro continues to experience lower unemployment than most other major metropolitan areas and the U.S. overall," said Paul T. McDermott, President and CEO of WashREIT. "Our multifamily collections are consistently above national averages and our suburban expansion through the Assembly Portfolio acquisition is proving to be a prudent allocation of capital. Our office portfolio is well positioned with a weighted average lease maturity of over five years, strong and stable rent collection rates, no exposure to co-working tenants and limited near-term lease expirations. While our operating environment has changed drastically over the past seven months and remains challenging, we have swiftly adjusted to the new demands of today's market and remain well positioned to bolster our long-term strategic growth plans once conditions improve."

Third Quarter Operating Results

The Company's overall portfolio NOI from continuing operations was \$44.6 million for the quarter ended September 30, 2020 compared to \$49.6 million in the corresponding prior year period. The decrease was primarily driven by the impact of net transaction activity during 2019 and 2020, and lower parking income and higher credit losses as a result of COVID-19.

Same-Store Portfolio by Sector:

- **Multifamily Same-Store NOI** - Same-store NOI and cash NOI decreased by 3.8% compared to the corresponding prior year quarter driven by lower average occupancy and lower move-in and other fees due to COVID-19. Lease rates declined 1.7% on a blended basis year-over-year, comprised of 1.1% of blended lease rate growth for our suburban properties and an average lease rate decline of 2.9% on a blended basis for our urban properties. At quarter end, our same-store portfolio was 94.0% occupied and our total operating portfolio, which includes all of our multifamily properties except Trove, was 94.6% occupied and 96.5% leased.⁽⁷⁾
 - **Office Same-Store NOI** - Same-store NOI decreased by 4.9% and cash NOI decreased by 3.7% compared to the corresponding prior year period, primarily due to lower parking income, known move-outs and an increase in bad debt expenses related to COVID-19. Same-store average occupancy⁽⁸⁾ increased 10 basis points sequentially but declined 280 basis points year-over-year due to expected lease expirations. The office portfolio was 86.6% occupied and 87.8% leased at quarter end.
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- **Other Same-Store NOI** - Same-store NOI and cash NOI decreased by \$0.3 million compared to the prior year period driven, in part, by approximately \$0.2 million of credit losses related to COVID-19. The Other portfolio was 86.8% occupied and 88.8% leased at quarter end.

Leasing Activity

During the third quarter, WashREIT signed commercial leases totaling 73,000 square feet, including 25,000 square feet of new leases and 48,000 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	19,000	5.3	6.2	\$45.74	10.0%	\$46.73	\$11.99
Retail	6,000	12.1	5.2	18.87	—%	27.87	1.47
Total	25,000	6.9	6.1	39.41	8.8%	42.29	9.51
Renewal:							
Office	40,000	7.2	6.9	\$39.15	17.6%	\$22.84	\$5.19
Retail	8,000	1.8	5.4	41.27	16.4%	—	—
Total	48,000	6.3	6.7	39.49	17.4%	19.18	4.36

2020 Guidance

On April 22, 2020, the Company withdrew its 2020 Core FFO guidance, originally provided in its February 13, 2020 Earnings Release, in light of uncertainty surrounding the COVID-19 pandemic and the related impact on the Company's business. The Company is reinstating its full-year 2020 guidance, including in light of the benefit of two additional quarters of actual results. Notwithstanding this improved visibility, uncertainty remains as to the risk and magnitude of COVID-19 resurgence, as well as the economic consequences of the pandemic.

	Full Year 2020
Core FFO per diluted share	\$1.44 - \$1.46
Same-Store NOI	
Multifamily	\$59.25 million - \$59.75 million
Office	\$81.5 million - \$82.0 million
Other NOI	\$11.5 million - \$12.0 million
Non Same-Store Multifamily NOI	\$26.75 million - \$27.25 million
Corporate Expenses	
G&A and Leasing Expenses	\$23.5 million - \$24.0 million
Interest Expense	\$37.5 million - \$37.75 million
Development Expenditures	\$30.0 million - \$35.0 million

The non same-store multifamily properties in 2020 consist of the Assembly Portfolio, Cascade at Landmark, and Trove multifamily development. John Marshall II is the only non same-store office property in 2020.

WashREIT's 2020 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, but WashREIT undertakes no obligation to do so.

2020 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, 2020, reflecting the dispositions assumptions above, is as follows:

	Low	High
Net income attributable to the controlling interests per diluted share ^(a)	\$ (0.02)	\$ —
Real estate depreciation and amortization ^(b)	1.46	1.46
NAREIT FFO per diluted share	1.44	1.46
Core adjustments	—	—
Core FFO per diluted share	\$ 1.44	\$ 1.46

^(a) Excludes gains or losses on sale of real estate

^(b) Includes impact from planned disposition during the year

Dividends

On October 5, 2020, WashREIT paid a quarterly dividend of \$0.30 per share.

WashREIT announced today that its Board of Trustees has declared a quarterly dividend of \$0.30 per share to be paid on January 6, 2021 to shareholders of record on December 23, 2020.

Conference Call Information

The Conference Call for Third Quarter 2020 Earnings is scheduled for Friday, October 30, 2020 at 11:00 A.M. Eastern Time. Conference Call access information is as follows:

USA Toll Free Number: 1-877-407-9205

International Toll Number: 1-201-689-8054

The instant replay of the Conference Call will be available until November 13, 2020 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: 56872

The live on-demand webcast of the Conference Call will be available on the Investor section of WashREIT's website at www.washreit.com. Online playback of the webcast will be available following the Conference Call.

About WashREIT

WashREIT owns and operates uniquely positioned real estate assets in the Washington Metro area. Backed by decades of experience, expertise and ambition, we create value by transforming insights into strategy and strategy into action. As of October 29, 2020, the Company's portfolio of 45 properties includes approximately 3.7 million square feet of commercial space and 6,863 multifamily apartment units. These 45 properties consist of 22 multifamily properties, 15 office properties, and 8 retail centers. Our shares trade on the NYSE. 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.

Note: WashREIT'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 WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Currently, one of the most significant factors is the adverse effect of the COVID-19 virus and ensuing economic turmoil on the financial condition, results of operations, cash flows and performance of WashREIT, particularly the impact of our ability to collect rent on schedule or at all, our ability to lease or release our commercial spaces, and increased credit losses, on the performance of our tenants generally, and on the global economy and financial markets. The extent to which COVID-19 impacts WashREIT and its tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, investors are cautioned to interpret many of the risks identified in the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2019, as amended by Amendment No. 1 to the Annual Report on Form 10-K, filed on March 6, 2020, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on April 27, 2020, as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19. Additional factors which may cause the actual results, performance, or achievements of WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to the risks associated with the closing and funding of our recent notes offering, the ownership of real estate in general and our real estate assets in particular; the economic health of the greater Washington metro region; 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; changes in the composition of our portfolio; 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, natural disasters and pandemics; 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 2019 Form 10-K, as amended by Amendment No. 1 to the Annual Report on Form 10-K, filed on March 6, 2020, 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.

This Earnings 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

⁽¹⁾ NAREIT Funds From Operations ("FFO") is defined by the 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 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. NAREIT FFO is a non-GAAP measure.

Core Funds From Operations ("Core FFO") is calculated by adjusting FFO for the following items (which we believe are not indicative of the performance of WashREIT's operating portfolio and affect the comparative measurement of WashREIT'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 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 WashREIT's ability to incur and service debt and to distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure and may be calculated differently by other REITs.

(2) Net Operating Income ("NOI"), defined as real estate rental revenue less real estate expenses, is a non-GAAP measure. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain or loss on sale, if any), plus interest expense, depreciation and amortization, lease origination expenses, general and administrative expenses, 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.

(3) 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 year being compared, and exclude properties under redevelopment or development and properties acquired, sold or classified as held for sale during the year 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 year 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.

(4) Lease rate growth is defined as the average percentage change in effective rent (net of concessions) for a new or renewed lease compared to the prior lease based on the move-in date. The blended rate represents the weighted average of new and renewal lease rate growth achieved.

(5) Consists of retail centers not classified as discontinued operations: Takoma Park, Westminster, Concord Centre, Chevy Chase Metro Plaza, 800 S. Washington Street, Randolph Shopping Center, Montrose Shopping Center and Spring Valley Village. Pursuant to our Strategic Capital Allocation Plan, and following completion of the above described dispositions of our retail assets, we no longer report "Retail" as a separate operating segment.

(6) Represents total outstanding deferred rent net of the amount that has been repaid

(7) Ending Occupancy is calculated as occupied square footage or multifamily units as a percentage of total square footage of multifamily units, respectively, as of the last day of that period.

(8) Average Occupancy is based on monthly occupied net rentable square footage or monthly occupied multifamily units as a percentage of total net rentable square footage or total multifamily units, respectively.

(9) 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.

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

Segment	Ending Occupancy			
	Same-Store Properties		All Properties	
	3rd QTR 2020	3rd QTR 2019	3rd QTR 2020	3rd QTR 2019
Multifamily ⁽ⁱⁱⁱ⁾	94.0 %	95.1 %	94.6 %	95.0 %
Office	86.6 %	88.7 %	86.6 %	90.3 %
Other ⁽ⁱⁱⁱ⁾	86.8 %	89.0 %	86.8 %	89.0 %
Overall Portfolio ⁽ⁱⁱⁱ⁾	90.3 %	91.9 %	91.6 %	93.0 %

⁽ⁱ⁾ 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 row labeled "Multifamily," 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 other properties includes short-term lease agreements.

⁽ⁱⁱ⁾ 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 are 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 are 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 Q3 2020 and Q3 2019, same-store properties exclude:

Acquisitions:

Multifamily - Assembly Alexandria, Assembly Manassas, Assembly Dulles, Assembly Leesburg, Assembly Herndon, Assembly Germantown, Assembly Watkins Mill and Cascade at Landmark

Development:

Multifamily - Trove

Sold properties:

Office - Quantico Corporate Center, 1776 G Street and John Marshall II

Discontinued Operations:

Retail - Wheaton Park, Bradlee Shopping Center, Shoppes at Foxchase, Gateway Overlook, Olney Village Center, Frederick County Square, Centre at Hagerstown and Frederick Crossing

⁽ⁱⁱⁱ⁾ Same-Store Other consists of retail properties not classified as discontinued operations: Takoma Park, Westminster, Concord Centre, Chevy Chase Metro Plaza, 800 S. Washington Street, Randolph Shopping Center, Montrose Shopping Center and Spring Valley Village.

⁽ⁱⁱⁱ⁾ Ending occupancy excludes the addition of the total rentable units at Trove, which began to lease-up in the first quarter of 2020. Including Trove, multifamily ending occupancy was 90.5% and overall portfolio ending occupancy was 89.5% as of September 30, 2020.

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

OPERATING RESULTS	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue				
Real estate rental revenue	\$ 73,227	\$ 80,259	\$ 222,889	\$ 228,513
Expenses				
Real estate expenses	28,672	30,692	84,196	84,969
Depreciation and amortization	30,470	37,340	89,789	97,441
General and administrative expenses	6,330	6,461	17,963	19,803
Real estate impairment	—	—	—	8,374
	65,472	74,493	191,948	210,587
Loss on sale of real estate	—	—	(7,539)	(1,046)
Real estate operating income	7,755	5,766	23,402	16,880
Other (expense) income:				
Interest expense	(8,711)	(14,198)	(28,307)	(41,946)
Gain on extinguishment of debt	—	—	262	—
	(8,711)	(14,198)	(28,045)	(41,946)
Loss from continuing operations	(956)	(8,432)	(4,643)	(25,066)
Discontinued operations:				
Income from operations of properties sold or held for sale	—	2,942	—	16,158
Gain on sale of real estate	—	339,024	—	339,024
Loss on extinguishment of debt	—	(764)	—	(764)
Income from discontinued operations	—	341,202	—	354,418
Net (loss) income	(956)	332,770	(4,643)	329,352
Less: Net income attributable to noncontrolling interests in subsidiaries	—	—	—	—
Net (loss) income attributable to the controlling interests	\$ (956)	\$ 332,770	\$ (4,643)	\$ 329,352
Loss from continuing operations	\$ (956)	\$ (8,432)	\$ (4,643)	\$ (25,066)
Depreciation and amortization	30,470	37,340	89,789	97,441
Real estate impairment	—	—	—	8,374
Loss on sale of depreciable real estate	—	—	7,539	1,046
Funds from continuing operations	\$ 29,514	\$ 28,908	\$ 92,685	\$ 81,795
Income from discontinued operations	—	341,202	—	354,418
Discontinued operations real estate depreciation and amortization	—	59	—	4,926
Gain on sale of real estate	—	(339,024)	—	(339,024)
Funds from discontinued operations	—	2,237	—	20,320
NAREIT funds from operations ⁽¹⁾	\$ 29,514	\$ 31,145	\$ 92,685	\$ 102,115
Non-cash gain on extinguishment of debt	—	(244)	(1,177)	(244)
Tenant improvements and incentives	(4,013)	(3,196)	(6,962)	(9,041)
External and internal leasing commissions capitalized	(1,081)	(1,243)	(2,407)	(3,671)
Recurring capital improvements	(1,068)	(1,034)	(2,880)	(2,401)
Straight-line rents, net	(522)	(713)	(1,840)	(2,503)
Non-cash fair value interest expense	—	(179)	(59)	(600)
Non-real estate depreciation & amortization of debt costs	956	1,654	2,808	3,975
Amortization of lease intangibles, net	464	528	1,465	1,679
Amortization and expensing of restricted share and unit compensation	2,479	1,737	5,901	6,264
Funds available for distribution	\$ 26,729	\$ 28,455	\$ 87,534	\$ 95,573

Per share data:		Three Months Ended September 30,		Nine Months Ended September 30,	
		2020	2019	2020	2019
Loss from continuing operations	(Basic)	\$ (0.01)	\$ (0.10)	\$ (0.06)	\$ (0.31)
	(Diluted)	\$ (0.01)	\$ (0.10)	\$ (0.06)	\$ (0.31)
Net (loss) income attributable to the controlling interests	(Basic)	\$ (0.01)	\$ 4.14	\$ (0.06)	\$ 4.10
	(Diluted)	\$ (0.01)	\$ 4.14	\$ (0.06)	\$ 4.10
NAREIT FFO	(Basic)	\$ 0.36	\$ 0.39	\$ 1.12	\$ 1.27
	(Diluted)	\$ 0.36	\$ 0.39	\$ 1.12	\$ 1.27
Dividends paid		\$ 0.30	\$ 0.30	\$ 0.90	\$ 0.90
Weighted average shares outstanding - basic		82,186	79,981	82,142	79,933
Weighted average shares outstanding - diluted		82,186	79,981	82,142	79,933
Weighted average shares outstanding - diluted (for NAREIT FFO)		82,357	80,040	82,322	80,006

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

	September 30, 2020 (unaudited)	December 31, 2019
Assets		
Land	\$ 574,025	\$ 566,807
Income producing property	2,497,017	2,392,415
	3,071,042	2,959,222
Accumulated depreciation and amortization	(772,482)	(693,610)
Net income producing property	2,298,560	2,265,612
Properties under development or held for future development	77,481	124,193
Total real estate held for investment, net	2,376,041	2,389,805
Investment in real estate held for sale, net	—	57,028
Cash and cash equivalents	3,814	12,939
Restricted cash	615	1,812
Rents and other receivables	67,628	65,259
Prepaid expenses and other assets	84,174	95,149
Other assets related to properties held for sale	—	6,336
Total assets	<u>\$ 2,532,272</u>	<u>\$ 2,628,328</u>
Liabilities		
Notes payable, net	\$ 897,443	\$ 996,722
Mortgage notes payable, net	—	47,074
Line of credit	186,000	56,000
Accounts payable and other liabilities	99,388	71,136
Dividend payable	24,767	24,668
Advance rents	6,979	9,353
Tenant security deposits	10,580	10,595
Other liabilities related to properties held for sale	—	718
Total liabilities	1,225,157	1,216,266
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; 82,351 and 82,099 shares issued and outstanding, as of September 30, 2020 and December 31, 2019, respectively	824	821
Additional paid-in capital	1,601,160	1,592,487
Distributions in excess of net income	(262,435)	(183,405)
Accumulated other comprehensive (loss) income	(32,759)	1,823
Total shareholders' equity	1,306,790	1,411,726
Noncontrolling interests in subsidiaries	325	336
Total equity	1,307,115	1,412,062
Total liabilities and equity	<u>\$ 2,532,272</u>	<u>\$ 2,628,328</u>

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

Three months ended September 30, 2020	Multifamily	Office	Corporate and other	Total
Same-store net operating income ⁽³⁾	\$ 14,461	\$ 20,237	\$ 3,040	\$ 37,738
Add: Net operating income from non-same-store properties ⁽³⁾	6,817	—	—	6,817
Total net operating income ⁽²⁾	\$ 21,278	\$ 20,237	\$ 3,040	\$ 44,555
Deduct:				
Interest expense				(8,711)
Depreciation and amortization				(30,470)
General and administrative expenses				(6,330)
Net loss				(956)
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net loss attributable to the controlling interests				\$ (956)

Three months ended September 30, 2019	Multifamily	Office	Corporate and other	Total
Same-store net operating income ⁽³⁾	\$ 15,033	\$ 21,285	\$ 3,347	\$ 39,665
Add: Net operating income from non-same-store properties ⁽³⁾	6,525	3,377	—	9,902
Total net operating income ⁽²⁾	\$ 21,558	\$ 24,662	\$ 3,347	\$ 49,567
Deduct:				
Interest expense				(14,198)
Depreciation and amortization				(37,340)
General and administrative expenses				(6,461)
Loss from continuing operations				(8,432)
Discontinued operations:				
Income from operations of properties sold or held for sale				2,942
Gain on sale of real estate				339,024
Loss on extinguishment of debt				(764)
Net income				332,770
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net income attributable to the controlling interests				\$ 332,770

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

Nine months ended September 30, 2020	Multifamily	Office	Corporate and Other	Total
Same-store net operating income ⁽³⁾	\$ 45,705	\$ 62,655	\$ 8,907	\$ 117,267
Add: Net operating income from non-same-store properties ⁽³⁾	20,094	1,332	—	21,426
Total net operating income ⁽²⁾	\$ 65,799	\$ 63,987	\$ 8,907	\$ 138,693
Add/(deduct):				
Interest expense				(28,307)
Depreciation and amortization				(89,789)
General and administrative expenses				(17,963)
Gain on extinguishment of debt				262
Loss on sale of real estate				(7,539)
Net loss				(4,643)
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net loss attributable to the controlling interests				<u>\$ (4,643)</u>

Nine months ended September 30, 2019	Multifamily	Office	Corporate and Other	Total
Same-store net operating income ⁽³⁾	\$ 45,153	\$ 66,284	\$ 10,233	\$ 121,670
Add: Net operating income from non-same-store properties ⁽³⁾	9,931	11,943	—	21,874
Total net operating income ⁽²⁾	\$ 55,084	\$ 78,227	\$ 10,233	\$ 143,544
Deduct:				
Interest expense				(41,946)
Depreciation and amortization				(97,441)
General and administrative expenses				(19,803)
Real estate impairment				(8,374)
Loss on sale of real estate				(1,046)
Loss from continuing operations				(25,066)
Discontinued operations:				
Income from operations of properties sold or held for sale				16,158
Gain on sale of real estate				339,024
Loss on extinguishment of debt				(764)
Net income				<u>329,352</u>
Less: Net income attributable to noncontrolling interests in subsidiaries				—
Net income attributable to the controlling interests				<u>\$ 329,352</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net (loss) income	\$ (956)	\$ 332,770	\$ (4,643)	\$ 329,352
Add:				
Real estate depreciation and amortization	30,470	37,340	89,789	97,441
Loss on sale of depreciable real estate	—	—	7,539	1,046
Real estate impairment	—	—	—	8,374
Discontinued operations:				
Gain on sale of real estate	—	(339,024)	—	(339,024)
Real estate depreciation and amortization	—	59	—	4,926
NAREIT funds from operations ⁽¹⁾	29,514	31,145	92,685	102,115
Add/(deduct):				
Restructuring expenses	—	653	—	2,749
Loss (gain) on extinguishment of debt	—	764	(262)	764
Core funds from operations ⁽¹⁾	\$ 29,514	\$ 32,562	\$ 92,423	\$ 105,628

Per share data:		Three Months Ended September 30,		Nine Months Ended September 30,	
		2020	2019	2020	2019
NAREIT FFO	(Basic)	\$ 0.36	\$ 0.39	\$ 1.12	\$ 1.27
	(Diluted)	\$ 0.36	\$ 0.39	\$ 1.12	\$ 1.27
Core FFO	(Basic)	\$ 0.36	\$ 0.41	\$ 1.12	\$ 1.32
	(Diluted)	\$ 0.36	\$ 0.41	\$ 1.12	\$ 1.32
Weighted average shares outstanding - basic		82,186	79,981	82,142	79,933
Weighted average shares outstanding - diluted (for NAREIT and Core FFO)		82,357	80,040	82,322	80,006



WASH★REIT

**SUPPLEMENTAL OPERATING
AND FINANCIAL DATA**

Third Quarter 2020

FINANCIAL STRENGTH

YTD 2020 CORE FAD
PAYOUT RATIO

84%

DEBT SERVICE
COVERAGE RATIO

4.4x

TARGET NET DEBT
TO ADJ EBITDA MID
TO LOW

6s

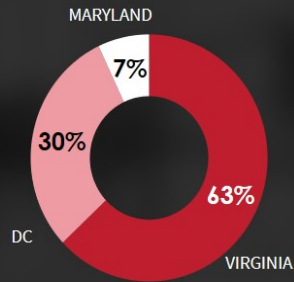
INVESTMENT GRADE
CREDIT RATING

**Baa2 STABLE
BBB STABLE**

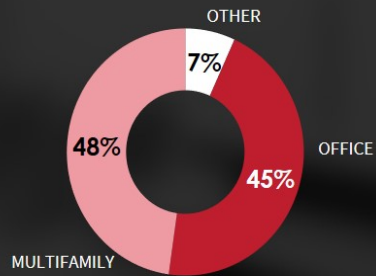
SECURED DEBT TO
TOTAL ASSETS

0%

Q3 2020 NOI
BY REGION



Q3 2020 NOI
BY ASSET CLASS



Supplemental Financial and Operating Data

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

OPERATING RESULTS	Nine Months Ended		Three Months Ended				
	9/30/2020	9/30/2019	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Real estate rental revenue	\$ 222,889	\$ 228,513	\$ 73,227	\$ 72,870	\$ 76,792	\$ 80,667	\$ 80,259
Real estate expenses	(84,196)	(84,969)	(28,672)	(26,885)	(28,639)	(30,611)	(30,692)
	138,693	143,544	44,555	45,985	48,153	50,056	49,567
Real estate depreciation and amortization	(89,789)	(97,441)	(30,470)	(29,599)	(29,720)	(38,812)	(37,340)
Income from real estate	48,904	46,103	14,085	16,386	18,433	11,244	12,227
Interest expense	(28,307)	(41,946)	(8,711)	(8,751)	(10,845)	(11,788)	(14,198)
(Loss) gain on sale of real estate	(7,539)	(1,046)	—	(7,539)	—	61,007	—
Gain (loss) on extinguishment of debt	262	—	—	(206)	468	—	—
Real estate impairment	—	(8,374)	—	—	—	—	—
General and administrative expenses	(17,963)	(19,803)	(6,330)	(5,296)	(6,337)	(6,265)	(6,461)
(Loss) income from continuing operations	(4,643)	(25,066)	(956)	(5,406)	1,719	54,198	(8,432)
Discontinued operations:							
Income from properties classified as discontinued operations	—	16,158	—	—	—	—	2,942
Gain on sale of real estate	—	339,024	—	—	—	—	339,024
Loss on extinguishment of debt	—	(764)	—	—	—	—	(764)
Income from discontinued operations	—	354,418	—	—	—	—	341,202
Net (loss) income	(4,643)	329,352	(956)	(5,406)	1,719	54,198	332,770
Less: Net income attributable to noncontrolling interests in subsidiaries	—	—	—	—	—	—	—
Net (loss) income attributable to the controlling interests	\$ (4,643)	\$ 329,352	\$ (956)	\$ (5,406)	\$ 1,719	\$ 54,198	\$ 332,770
Per Share Data:							
Net (loss) income attributable to the controlling interests	\$ (0.06)	\$ 4.10	\$ (0.01)	\$ (0.07)	\$ 0.02	\$ 0.66	\$ 4.14
Fully diluted weighted average shares outstanding	82,142	79,933	82,186	82,153	82,287	81,313	79,981
Percentage of Revenues:							
Real estate expenses	37.8 %	37.2 %	39.2 %	36.9 %	37.3 %	37.9 %	38.2 %
General and administrative expenses	8.1 %	8.7 %	8.6 %	7.3 %	8.3 %	7.8 %	8.1 %
Ratios:							
Adjusted EBITDA / Interest expense (includes discontinued operations)	4.3 x	3.5 x	4.4 x	4.7 x	3.9 x	3.8 x	3.3 x
Net (loss) income attributable to the controlling interests / Real estate rental revenue	(2.1)%	144.1 %	(1.3)%	(7.4)%	2.2 %	67.2 %	414.6 %

Consolidated Balance Sheets
(In thousands, except per share data)
(Unaudited)

	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Assets					
Land	\$ 574,025	\$ 574,025	\$ 574,025	\$ 566,807	\$ 611,797
Income producing property	2,497,017	2,467,629	2,444,525	2,392,415	2,486,966
	<u>3,071,042</u>	<u>3,041,654</u>	<u>3,018,550</u>	<u>2,959,222</u>	<u>3,098,763</u>
Accumulated depreciation and amortization	(772,482)	(745,692)	(719,446)	(693,610)	(724,433)
Net income producing property	2,298,560	2,295,962	2,299,104	2,265,612	2,374,330
Properties under development or held for future development	77,481	89,166	89,791	124,193	110,572
Total real estate held for investment, net	<u>2,376,041</u>	<u>2,385,128</u>	<u>2,388,895</u>	<u>2,389,805</u>	<u>2,484,902</u>
Investment in real estate held for sale, net	—	—	57,028	57,028	—
Cash and cash equivalents	3,814	7,971	20,601	12,939	12,931
Restricted cash	615	630	634	1,812	1,578
Rents and other receivables	67,628	67,026	64,617	65,259	69,414
Prepaid expenses and other assets	84,174	81,967	84,722	95,149	106,251
Other assets related to properties sold or held for sale	—	—	6,123	6,336	—
Total assets	<u>\$ 2,532,272</u>	<u>\$ 2,542,722</u>	<u>\$ 2,622,620</u>	<u>\$ 2,628,328</u>	<u>\$ 2,675,076</u>
Liabilities					
Notes payable, net	\$ 897,443	\$ 897,060	\$ 997,075	\$ 996,722	\$ 996,455
Mortgage notes payable, net	—	—	—	47,074	47,319
Line of credit	186,000	181,000	148,000	56,000	211,000
Accounts payable and other liabilities	99,388	93,192	98,966	71,136	75,735
Dividend payable	24,767	24,760	—	24,668	—
Advance rents	6,979	7,375	8,681	9,353	9,475
Tenant security deposits	10,580	10,769	10,875	10,595	10,849
Other liabilities related to properties sold or held for sale	—	—	875	718	—
Total liabilities	<u>1,225,157</u>	<u>1,214,156</u>	<u>1,264,472</u>	<u>1,216,266</u>	<u>1,350,833</u>
Equity					
Preferred shares; \$0.01 par value; 10,000 shares authorized	—	—	—	—	—
Shares of beneficial interest, \$0.01 par value; 100,000 shares authorized	824	823	823	821	803
Additional paid-in capital	1,601,160	1,598,620	1,596,242	1,592,487	1,539,734
Distributions in excess of net income	(262,435)	(236,673)	(206,506)	(183,405)	(212,978)
Accumulated other comprehensive (loss) income	(32,759)	(34,533)	(32,744)	1,823	(3,659)
Total shareholders' equity	<u>1,306,790</u>	<u>1,328,237</u>	<u>1,357,815</u>	<u>1,411,726</u>	<u>1,323,900</u>
Noncontrolling interests in subsidiaries	325	329	333	336	343
Total equity	<u>1,307,115</u>	<u>1,328,566</u>	<u>1,358,148</u>	<u>1,412,062</u>	<u>1,324,243</u>
Total liabilities and equity	<u>\$ 2,532,272</u>	<u>\$ 2,542,722</u>	<u>\$ 2,622,620</u>	<u>\$ 2,628,328</u>	<u>\$ 2,675,076</u>

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

	Nine Months Ended		Three Months Ended				
	9/30/2020	9/30/2019	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Funds from operations (FFO) ⁽¹⁾							
Net (loss) income	\$ (4,643)	\$ 329,352	\$ (956)	\$ (5,406)	\$ 1,719	\$ 54,198	\$ 332,770
Real estate depreciation and amortization	89,789	97,441	30,470	29,599	29,720	38,812	37,340
Loss (gain) on sale of depreciable real estate	7,539	1,046	—	7,539	—	(61,007)	—
Real estate impairment	—	8,374	—	—	—	—	—
Discontinued operations:							
Gain on sale of depreciable real estate	—	(339,024)	—	—	—	—	(339,024)
Real estate depreciation and amortization	—	4,926	—	—	—	—	59
NAREIT funds from operations (FFO)	92,685	102,115	29,514	31,732	31,439	32,003	31,145
(Gain) loss on extinguishment of debt	(262)	764	—	206	(468)	—	764
Restructuring expenses ⁽²⁾	—	2,749	—	—	—	270	653
Core FFO ⁽¹⁾	\$ 92,423	\$ 105,628	\$ 29,514	\$ 31,938	\$ 30,971	\$ 32,273	\$ 32,562
Allocation to participating securities ⁽³⁾	(453)	(396)	(151)	(151)	(151)	(81)	(129)
NAREIT FFO per share - basic	\$ 1.12	\$ 1.27	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.39	\$ 0.39
NAREIT FFO per share - fully diluted	\$ 1.12	\$ 1.27	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.39	\$ 0.39
Core FFO per share - fully diluted	\$ 1.12	\$ 1.32	\$ 0.36	\$ 0.39	\$ 0.37	\$ 0.40	\$ 0.41
Common dividend per share	\$ 0.90	\$ 0.90	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Average shares - basic	82,142	79,933	82,186	82,153	82,086	81,220	79,981
Average shares - fully diluted (for NAREIT FFO and Core FFO)	82,322	80,006	82,357	82,323	82,287	81,313	80,040

⁽¹⁾ See "Supplemental Definitions" on page 36 of this supplemental 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 WashREIT personnel.

⁽³⁾ Adjustment to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS.

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

	Nine Months Ended		Three Months Ended				
	9/30/2020	9/30/2019	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Funds available for distribution (FAD) ⁽¹⁾							
NAREIT FFO	\$ 92,685	\$ 102,115	\$ 29,514	\$ 31,732	\$ 31,439	\$ 32,003	\$ 31,145
Non-cash (gain) loss on extinguishment of debt	(1,177)	(244)	—	204	(1,381)	—	(244)
Tenant improvements and incentives	(6,962)	(9,041)	(4,013)	(1,877)	(1,072)	(6,857)	(3,196)
External and internal leasing commissions capitalized	(2,407)	(3,671)	(1,081)	(797)	(529)	(2,700)	(1,243)
Recurring capital improvements	(2,880)	(2,401)	(1,068)	(824)	(988)	(4,345)	(1,034)
Straight-line rent, net	(1,840)	(2,503)	(522)	(655)	(663)	(763)	(713)
Non-cash fair value interest expense	(59)	(600)	—	—	(59)	(178)	(179)
Non-real estate depreciation and amortization of debt costs	2,808	3,975	956	910	942	1,030	1,654
Amortization of lease intangibles, net	1,465	1,679	464	544	457	504	528
Amortization and expensing of restricted share and unit compensation	5,901	6,264	2,479	1,644	1,778	1,479	1,737
FAD	87,534	95,573	26,729	30,881	29,924	20,173	28,455
Cash loss on extinguishment of debt	915	1,008	—	2	913	—	1,008
Restructuring expenses (excluding accelerated share-based compensation)	—	1,552	—	—	—	270	436
Core FAD ⁽¹⁾	\$ 88,449	\$ 98,133	\$ 26,729	\$ 30,883	\$ 30,837	\$ 20,443	\$ 29,899

⁽¹⁾ See "Supplemental Definitions" on page 36 of this supplemental for the definitions of FAD and Core FAD.

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

(In thousands)

(Unaudited)

	Nine Months Ended		Three Months Ended				
	9/30/2020	9/30/2019	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Adjusted EBITDA ⁽¹⁾							
Net (loss) income	\$ (4,643)	\$ 329,352	\$ (956)	\$ (5,406)	\$ 1,719	\$ 54,198	\$ 332,770
Add:							
Interest expense	28,307	42,259	8,711	8,751	10,845	11,788	14,228
Real estate depreciation and amortization	89,789	102,367	30,470	29,599	29,720	38,812	37,399
Real estate impairment	—	8,374	—	—	—	—	—
Non-real estate depreciation	713	743	234	241	238	276	250
Restructuring expenses	—	2,749	—	—	—	270	653
Less:							
Loss (gain) on sale of depreciable real estate	7,539	(337,978)	—	7,539	—	(61,007)	(339,024)
(Gain) loss on extinguishment of debt	(262)	764	—	206	(468)	—	764
Adjusted EBITDA	\$ 121,443	\$ 148,630	\$ 38,459	\$ 40,930	\$ 42,054	\$ 44,337	\$ 47,040

⁽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, 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. We consider Adjusted EBITDA to be an appropriate supplemental performance measure because it permits investors to view income from operations without the effect of depreciation, and the cost of debt or non-operating gains and losses. Adjusted EBITDA is a non-GAAP measure.

Long Term Debt Analysis
(\$'s in thousands)

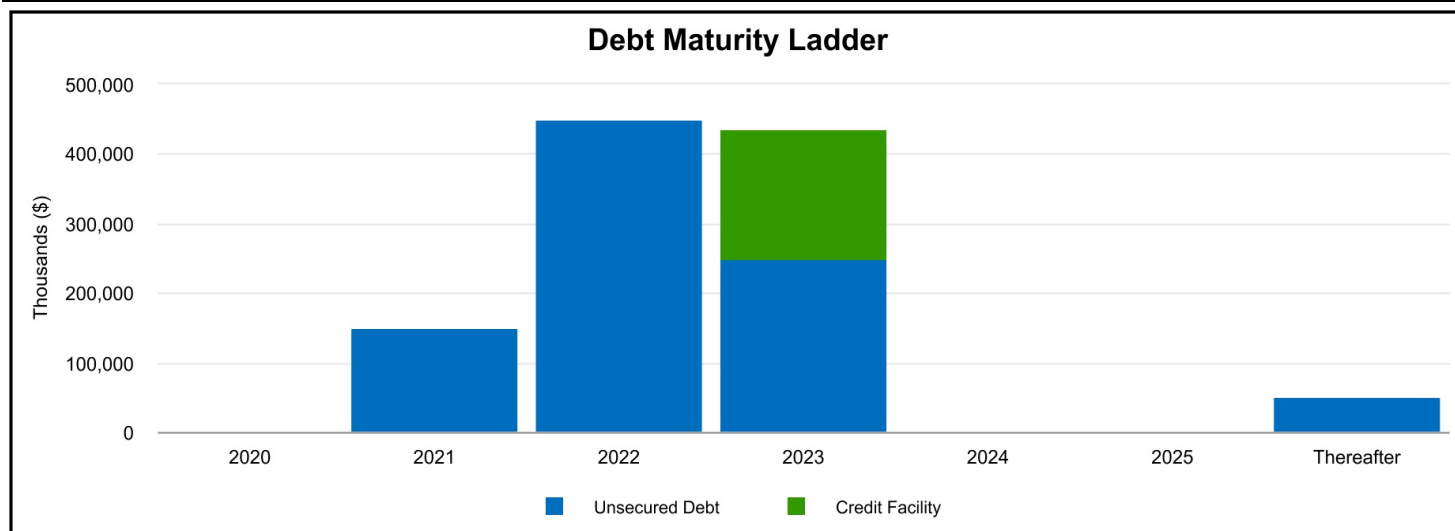
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Balances Outstanding					
Secured					
Mortgage note payable, net ⁽¹⁾	\$ —	\$ —	\$ —	\$ 47,074	\$ 47,319
Unsecured					
Fixed rate bonds	348,522	348,375	598,028	597,781	597,618
Term loans	548,921	548,685	399,047	398,941	398,837
Credit facility	186,000	181,000	148,000	56,000	211,000
Unsecured total	1,083,443	1,078,060	1,145,075	1,052,722	1,207,455
Total	\$ 1,083,443	\$ 1,078,060	\$ 1,145,075	\$ 1,099,796	\$ 1,254,774
Weighted Average Interest Rates					
Secured					
Mortgage note payable, net ⁽¹⁾	— %	— %	— %	3.8 %	3.8 %
Unsecured					
Fixed rate bonds	4.5 %	4.5 %	4.7 %	4.7 %	4.7 %
Term loans ⁽²⁾	2.6 %	2.6 %	2.8 %	2.8 %	2.8 %
Credit facility	1.1 %	1.2 %	1.8 %	2.7 %	3.1 %
Unsecured total	3.0 %	3.0 %	3.7 %	3.9 %	3.8 %
Weighted Average	3.0 %	3.0 %	3.7 %	3.9 %	3.8 %

⁽¹⁾ In January 2020, WashREIT prepaid the existing mortgage note associated with Yale West, resulting in a gain on extinguishment of debt of \$0.5 million.

⁽²⁾ WashREIT entered into interest rate swaps to effectively fix the floating interest rates on \$400.0 million of its total \$550.0 million aggregate principal of its term loans outstanding as of September 30, 2020 (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)
September 30, 2020



Year	Future Maturities of Debt			
	Unsecured Debt	Credit Facility	Total Debt	Avg Interest Rate
2020	\$ —	\$ —	\$ —	—%
2021	150,000 ⁽¹⁾	—	150,000	2.7%
2022	450,000 ⁽²⁾	—	450,000	3.3%
2023	250,000 ⁽³⁾	186,000 ⁽⁴⁾	436,000	2.1%
2024	—	—	—	—%
2025	—	—	—	—%
Thereafter	50,000	—	50,000	7.4%
Scheduled principal payments	\$ 900,000	\$ 186,000	\$ 1,086,000	3.0%
Net discounts/premiums	(504)	—	(504)	
Loan costs, net of amortization	(2,053)	—	(2,053)	
Total maturities	\$ 897,443	\$ 186,000	\$ 1,083,443	3.0%

Weighted average maturity = 2.2 years

⁽¹⁾ WashREIT 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.

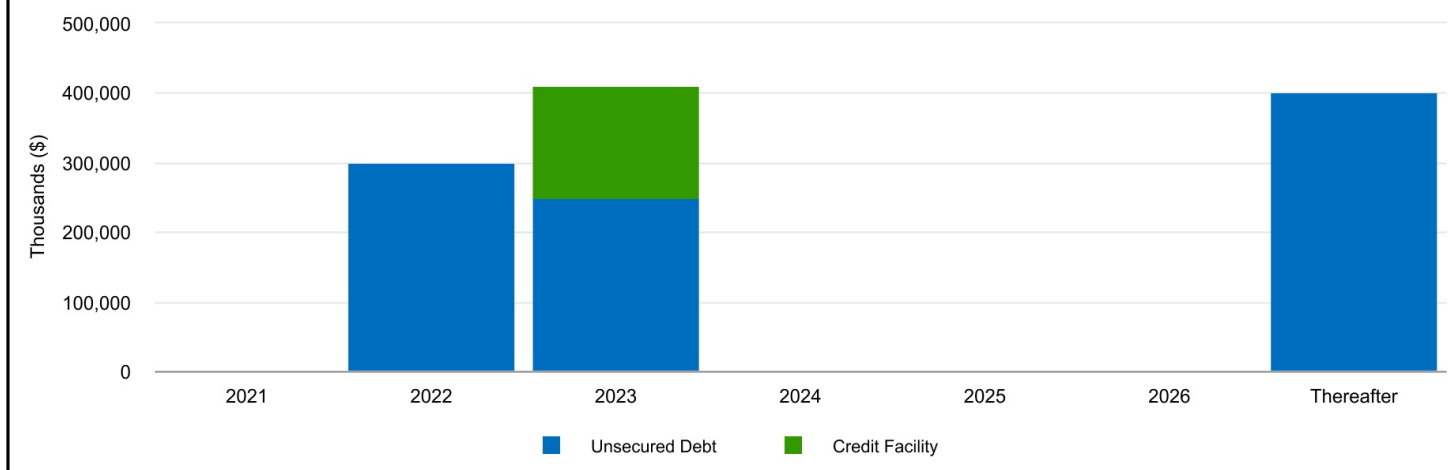
⁽²⁾ Maturity date for a \$150.0 million term loan of May 2022 assumes election of extension option for an additional one-year period.

⁽³⁾ WashREIT 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 term loan. For the remaining \$100.0 million portion of the term loan, WashREIT 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. The 2018 Term Loan has an all-in fixed interest rate of 2.87%.

⁽⁴⁾ Maturity date for credit facility of March 2023 assumes election of extension option for two additional 6-month periods.

Long Term Debt Maturities - Pro Forma
(in thousands, except average interest rates)
 December 31, 2020

Debt Maturity Ladder - Pro Forma



Future Maturities of Debt

Year	Unsecured Debt	Credit Facility	Total Debt	Avg Interest Rate
2021	\$ —	\$ —	\$ —	—%
2022	300,000	—	300,000	4.0%
2023	250,000	159,000 ⁽²⁾	409,000	2.2%
2024	—	—	—	—%
2025	—	—	—	—%
2026	—	—	—	—%
Thereafter ⁽¹⁾	400,000	—	400,000	4.5%
Scheduled principal payments	\$ 950,000	\$ 159,000	\$ 1,109,000	3.5%

Weighted average maturity = 4.9 years

⁽¹⁾ The table above considers the closing and funding of the \$350 million 10-year 3.44% Green Bonds which is expected to occur no later than December 29, 2020. The Green Bonds have an all-in fixed interest rate of 4.09%. Following the closing and funding of the Green Bonds, WashREIT expects to repay \$300 million of existing term loans maturing in 2021 and 2022 with the balance to pay down amounts due under the revolving credit facility and will have no debt maturing until the fourth quarter of 2022.

⁽²⁾ The remaining proceeds used to pay down amounts due under the revolving credit facility balance are net of swap settlement fees and expenses.

Debt Covenant Compliance

	Unsecured Public Debt Covenants		Unsecured Private Debt Covenants			
	Notes Payable		Line of Credit and Term Loans		Notes Payable	
	Quarter Ended September 30, 2020	Covenant	Quarter Ended September 30, 2020	Covenant	Quarter Ended September 30, 2020	Covenant
% of Total Indebtedness to Total Assets ⁽¹⁾	40.9 %	≤ 65.0%	N/A	N/A	N/A	N/A
Ratio of Income Available for Debt Service to Annual Debt Service	3.8	≥ 1.5	N/A	N/A	N/A	N/A
% of Secured Indebtedness to Total Assets ⁽¹⁾	— %	≤ 40.0%	N/A	N/A	N/A	N/A
Ratio of Total Unencumbered Assets ⁽²⁾ to Total Unsecured Indebtedness	2.4	≥ 1.5	N/A	N/A	N/A	N/A
% of Net Consolidated Total Indebtedness to Consolidated Total Asset Value ⁽³⁾	N/A	N/A	33.9 %	≤ 60.0%	33.9 %	≤ 60.0%
Ratio of Consolidated Adjusted EBITDA ⁽⁴⁾ to Consolidated Fixed Charges ⁽⁵⁾	N/A	N/A	4.48	≥ 1.50	4.48	≥ 1.50
% of Consolidated Secured Indebtedness to Consolidated Total Asset Value ⁽³⁾	N/A	N/A	— %	≤ 40.0%	— %	≤ 40.0%
% of Consolidated Unsecured Indebtedness to Unencumbered Pool Value ⁽⁶⁾	N/A	N/A	33.9 %	≤ 60.0%	33.9 %	≤ 60.0%
Ratio of Unencumbered Adjusted Net Operating Income to Consolidated Unsecured Interest Expense	N/A	N/A	5.23	≥ 1.75	5.23	≥ 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)

	Three Months Ended						
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019		
Market Data							
Shares Outstanding	82,351	82,327	82,315	82,099	80,292		
Market Price per Share	\$ 20.13	\$ 22.20	\$ 23.87	\$ 29.18	\$ 27.36		
Equity Market Capitalization	\$ 1,657,726	\$ 1,827,659	\$ 1,964,859	\$ 2,395,649	\$ 2,196,789		
Total Debt	\$ 1,083,443	\$ 1,078,060	\$ 1,145,075	\$ 1,099,796	\$ 1,254,774		
Total Market Capitalization	\$ 2,741,169	\$ 2,905,719	\$ 3,109,934	\$ 3,495,445	\$ 3,451,563		
Total Debt to Market Capitalization	0.40 :1	0.37 :1	0.37 :1	0.31 :1	0.36 :1		
Earnings to Fixed Charges ⁽¹⁾	0.8x	0.4x	1.1x	5.2x	0.4x		
Debt Service Coverage Ratio ⁽²⁾	4.4x	4.7x	3.9x	3.7x	3.2x		
Dividend Data							
	Nine Months Ended		Three Months Ended				
	9/30/2020	9/30/2019	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Total Dividends Declared	\$ 74,387	\$ 72,339	\$ 24,806	\$ 24,761	\$ 24,820	\$ 24,625	\$ 24,087
Common Dividend Declared per Share	\$ 0.90	\$ 0.90	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Payout Ratio (Core FFO basis)	80.4 %	68.2 %	83.3 %	76.9 %	81.1 %	75.0 %	73.2 %
Payout Ratio (Core FAD basis)	84.1 %	73.8 %					

⁽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 includes (loss) gain on sale of real estate of (\$7.5 million) and \$61.0 million for the three months ended June 30, 2020 and December 31, 2019, 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
2020 vs. 2019

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Cash Basis:						
Multifamily	\$ 45,721	\$ 45,164	1.2 %	\$ 14,465	\$ 15,037	(3.8) %
Office	62,325	65,290	(4.5) %	20,243	21,016	(3.7) %
Other ⁽²⁾	8,612	9,716	(11.4) %	2,924	3,193	(8.4) %
Overall Same-Store Portfolio ⁽¹⁾	\$ 116,658	\$ 120,170	(2.9) %	\$ 37,632	\$ 39,246	(4.1) %
GAAP Basis:						
Multifamily	\$ 45,705	\$ 45,153	1.2 %	\$ 14,461	\$ 15,033	(3.8) %
Office	62,655	66,284	(5.5) %	20,237	21,285	(4.9) %
Other ⁽²⁾	8,907	10,233	(13.0) %	3,040	3,347	(9.2) %
Overall Same-Store Portfolio ⁽¹⁾	\$ 117,267	\$ 121,670	(3.6) %	\$ 37,738	\$ 39,665	(4.9) %

⁽¹⁾ Non same-store properties were:

Acquisitions:

Multifamily - Assembly Alexandria, Assembly Manassas, Assembly Dulles, Assembly Leesburg, Assembly Herndon, Assembly Germantown, Assembly Watkins Mill and Cascade at Landmark

Development:

Multifamily - Trove

Sold properties:

Office - Quantico Corporate Center, 1776 G Street and John Marshall II

Discontinued operations:

Retail - Wheaton Park, Bradlee Shopping Center, Shoppes at Foxchase, Gateway Overlook, Olney Village Center, Frederick County Square, Centre at Hagerstown and Frederick Crossing

⁽²⁾ Consists of retail centers not classified as discontinued operations: Takoma Park, Westminster, Concord Centre, Chevy Chase Metro Plaza, 800 S. Washington Street, Randolph Shopping Center, Montrose Shopping Center and Spring Valley Village.

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

	Three Months Ended September 30, 2020			
	Multifamily	Office	Corporate and Other ⁽¹⁾	Total
Real estate rental revenue				
Same-store portfolio	\$ 24,240	\$ 32,579	\$ 4,382	\$ 61,201
Non same-store ⁽¹⁾	12,026	—	—	12,026
Total	36,266	32,579	4,382	73,227
Real estate expenses				
Same-store portfolio	9,779	12,342	1,342	23,463
Non same-store ⁽¹⁾	5,209	—	—	5,209
Total	14,988	12,342	1,342	28,672
Net Operating Income (NOI)				
Same-store portfolio	14,461	20,237	3,040	37,738
Non same-store ⁽¹⁾	6,817	—	—	6,817
Total	\$ 21,278	\$ 20,237	\$ 3,040	\$ 44,555
Same-store portfolio NOI (from above)	\$ 14,461	\$ 20,237	\$ 3,040	\$ 37,738
Straight-line revenue, net for same-store properties	3	(518)	(6)	(521)
Amortization of acquired lease assets (liabilities) for same-store properties	1	42	(127)	(84)
Amortization of lease intangibles for same-store properties	—	482	17	499
Same-store portfolio cash NOI	\$ 14,465	\$ 20,243	\$ 2,924	\$ 37,632
Reconciliation of NOI to net income				
Total NOI	\$ 21,278	\$ 20,237	\$ 3,040	\$ 44,555
Depreciation and amortization	(14,602)	(14,307)	(1,561)	(30,470)
General and administrative expenses	—	—	(6,330)	(6,330)
Interest expense	—	—	(8,711)	(8,711)
Net income (loss)	6,676	5,930	(13,562)	(956)
Net income attributable to noncontrolling interests	—	—	—	—
Net income (loss) attributable to the controlling interests	\$ 6,676	\$ 5,930	\$ (13,562)	\$ (956)

⁽¹⁾ For a list of non-same-store and other properties, see page 14 of this Supplemental.

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

	Three Months Ended June 30, 2020			
	Multifamily	Office	Corporate and Other ⁽¹⁾	Total
Real estate rental revenue				
Same-store portfolio	\$ 24,548	\$ 32,532	\$ 3,918	\$ 60,998
Non same-store ⁽¹⁾	11,490	382	—	11,872
Total	36,038	32,914	3,918	72,870
Real estate expenses				
Same-store portfolio	9,181	11,361	1,258	21,800
Non same-store ⁽¹⁾	4,929	156	—	5,085
Total	14,110	11,517	1,258	26,885
Net Operating Income (NOI)				
Same-store portfolio	15,367	21,171	2,660	39,198
Non same-store ⁽¹⁾	6,561	226	—	6,787
Total	\$ 21,928	\$ 21,397	\$ 2,660	\$ 45,985
Same-store portfolio NOI (from above)	\$ 15,367	\$ 21,171	\$ 2,660	\$ 39,198
Straight-line revenue, net for same-store properties	5	(673)	22	(646)
Amortization of acquired lease assets (liabilities) for same-store properties	1	42	(126)	(83)
Amortization of lease intangibles for same-store properties	—	531	17	548
Same-store portfolio cash NOI	\$ 15,373	\$ 21,071	\$ 2,573	\$ 39,017
Reconciliation of NOI to net income				
Total NOI	\$ 21,928	\$ 21,397	\$ 2,660	\$ 45,985
Depreciation and amortization	(14,058)	(14,176)	(1,365)	(29,599)
General and administrative expenses	—	—	(5,296)	(5,296)
Interest expense	—	—	(8,751)	(8,751)
Loss on sale of real estate	—	—	(7,539)	(7,539)
Loss on extinguishment of debt	—	—	(206)	(206)
Net income (loss)	7,870	7,221	(20,497)	(5,406)
Net income attributable to noncontrolling interests	—	—	—	—
Net income (loss) attributable to controlling interests	\$ 7,870	\$ 7,221	\$ (20,497)	\$ (5,406)

⁽¹⁾ For a list of non-same-store, discontinued operations and other properties, see page 14 of this Supplemental.

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

	Three Months Ended September 30, 2019			
	Multifamily	Office	Corporate and Other ⁽¹⁾	Total
Real estate rental revenue				
Same-store portfolio	\$ 24,763	\$ 34,437	\$ 4,659	\$ 63,859
Non same-store ⁽¹⁾	11,027	5,373	—	16,400
Total	35,790	39,810	4,659	80,259
Real estate expenses				
Same-store portfolio	9,730	13,152	1,312	24,194
Non same-store ⁽¹⁾	4,502	1,996	—	6,498
Total	14,232	15,148	1,312	30,692
Net Operating Income (NOI)				
Same-store portfolio	15,033	21,285	3,347	39,665
Non same-store ⁽¹⁾	6,525	3,377	—	9,902
Total	\$ 21,558	\$ 24,662	\$ 3,347	\$ 49,567
Same-store portfolio NOI (from above)	\$ 15,033	\$ 21,285	\$ 3,347	\$ 39,665
Straight-line revenue, net for same-store properties	3	(710)	(38)	(745)
Amortization of acquired lease assets (liabilities) for same-store properties	1	(117)	(127)	(243)
Amortization of lease intangibles for same-store properties	—	558	11	569
Same-store portfolio cash NOI	\$ 15,037	\$ 21,016	\$ 3,193	\$ 39,246
Reconciliation of NOI to net income				
Total NOI	\$ 21,558	\$ 24,662	\$ 3,347	\$ 49,567
Depreciation and amortization ⁽²⁾	(19,721)	(16,269)	(1,350)	(37,340)
General and administrative expenses	—	—	(6,461)	(6,461)
Interest expense	(518)	—	(13,680)	(14,198)
Income (loss) from continuing operations	1,319	8,393	(18,144)	(8,432)
Discontinued operations:				
Income from operations of properties classified as discontinued operations ⁽¹⁾	—	—	2,942	2,942
Gain on sale of real estate	—	—	339,024	339,024
Loss on extinguishment of debt	—	—	(764)	(764)
Net income	1,319	8,393	323,058	332,770
Net income attributable to noncontrolling interests	—	—	—	—
Net income attributable to the controlling interests	\$ 1,319	\$ 8,393	\$ 323,058	\$ 332,770

⁽¹⁾ For a list of non-same-store, discontinued operations and other properties, see page 14 of this Supplemental.

⁽²⁾ Depreciation and amortization includes \$6.8 million amortization of intangible lease assets at the Assembly Portfolio, which have a weighted average useful life of seven months.

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

	Nine Months Ended September 30, 2020			
	Multifamily	Office	Corporate and Other ⁽¹⁾	Total
Real estate rental revenue				
Same-store portfolio	\$ 73,892	\$ 98,992	\$ 12,844	\$ 185,728
Non same-store ⁽¹⁾	34,990	2,171	—	37,161
Total	108,882	101,163	12,844	222,889
Real estate expenses				
Same-store portfolio	28,187	36,337	3,937	68,461
Non same-store ⁽¹⁾	14,896	839	—	15,735
Total	43,083	37,176	3,937	84,196
Net Operating Income (NOI)				
Same-store portfolio	45,705	62,655	8,907	117,267
Non same-store ⁽¹⁾	20,094	1,332	—	21,426
Total	\$ 65,799	\$ 63,987	\$ 8,907	\$ 138,693
Same-store portfolio NOI (from above)	\$ 45,705	\$ 62,655	\$ 8,907	\$ 117,267
Straight-line revenue, net for same-store properties	13	(1,845)	34	(1,798)
Amortization of acquired lease assets (liabilities) for same-store properties	3	54	(380)	(323)
Amortization of lease intangibles for same-store properties	—	1,461	51	1,512
Same-store portfolio cash NOI	\$ 45,721	\$ 62,325	\$ 8,612	\$ 116,658
Reconciliation of NOI to net income				
Total NOI	\$ 65,799	\$ 63,987	\$ 8,907	\$ 138,693
Depreciation and amortization	(42,621)	(42,837)	(4,331)	(89,789)
General and administrative	—	—	(17,963)	(17,963)
Interest expense	(172)	—	(28,135)	(28,307)
Loss on sale of real estate	—	—	(7,539)	(7,539)
Gain on extinguishment of debt	—	—	262	262
Net income (loss)	23,006	21,150	(48,799)	(4,643)
Net income attributable to noncontrolling interests	—	—	—	—
Net income (loss) attributable to the controlling interests	\$ 23,006	\$ 21,150	\$ (48,799)	\$ (4,643)

⁽¹⁾ For a list of non-same-store, discontinued operations and other properties, see page 14 of this Supplemental.

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

	Nine Months Ended September 30, 2019			
	Multifamily	Office	Corporate and Other ⁽¹⁾	Total
Real estate rental revenue				
Same-store portfolio	73,532	\$ 105,188	\$ 14,337	\$ 193,057
Non same-store ⁽¹⁾	16,480	18,976	—	35,456
Total	90,012	124,164	14,337	228,513
Real estate expenses				
Same-store portfolio	28,379	38,904	4,104	71,387
Non same-store ⁽¹⁾	6,549	7,033	—	13,582
Total	34,928	45,937	4,104	84,969
Net Operating Income (NOI)				
Same-store portfolio	45,153	66,284	10,233	121,670
Non same-store ⁽¹⁾	9,931	11,943	—	21,874
Total	\$ 55,084	\$ 78,227	\$ 10,233	\$ 143,544
Same-store portfolio NOI (from above)	\$ 45,153	\$ 66,284	\$ 10,233	\$ 121,670
Straight-line revenue, net for same-store properties	8	(2,413)	(153)	(2,558)
Amortization of acquired lease assets (liabilities) for same-store properties	3	(298)	(397)	(692)
Amortization of lease intangibles for same-store properties	—	1,717	33	1,750
Same-store portfolio cash NOI	\$ 45,164	\$ 65,290	\$ 9,716	\$ 120,170
Reconciliation of NOI to net income				
Total NOI	\$ 55,084	\$ 78,227	\$ 10,233	\$ 143,544
Depreciation and amortization ⁽²⁾	(43,283)	(49,947)	(4,211)	(97,441)
General and administrative	—	—	(19,803)	(19,803)
Interest expense	(1,558)	—	(40,388)	(41,946)
Loss on sale of real estate	—	—	(1,046)	(1,046)
Real estate impairment	—	—	(8,374)	(8,374)
Income (loss) from continuing operations	10,243	28,280	(63,589)	(25,066)
Discontinued operations:				
Income from operations of properties classified as discontinued operations ⁽¹⁾	—	—	16,158	16,158
Gain on sale of real estate	—	—	339,024	339,024
Loss on extinguishment of debt	—	—	(764)	(764)
Net income	10,243	28,280	290,829	329,352
Net income attributable to noncontrolling interests	—	—	—	—
Net income attributable to the controlling interests	\$ 10,243	\$ 28,280	\$ 290,829	\$ 329,352

⁽¹⁾ For a list of non-same-store, discontinued operations and other properties, see page 14 of this Supplemental.

⁽²⁾ Depreciation and amortization includes \$11.0 million amortization of intangible lease assets at the Assembly Portfolio, which have a weighted average useful life of seven months.

Net Operating Income (NOI) by Region

	Percentage of NOI	
	Q3 2020	YTD 2020
DC		
Multifamily	6.3 %	6.7 %
Office	21.7 %	21.6 %
Other	2.4 %	2.2 %
	30.4 %	30.5 %
Maryland		
Multifamily	4.1 %	4.0 %
Other	3.1 %	2.7 %
	7.2 %	6.7 %
Virginia		
Multifamily	37.3 %	36.8 %
Office	23.7 %	24.5 %
Other	1.4 %	1.5 %
	62.4 %	62.8 %
Total Portfolio	100.0 %	100.0 %

Net Operating Income (NOI) - Multifamily
(Dollars in thousands)

	Apartment Units as of 9/30/2020	Nine Months Ended		Three Months Ended				
		9/30/2020	9/30/2019	09/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Rental and other property revenues								
Same-store ⁽¹⁾	4,268	\$ 73,892	\$ 73,532	\$ 24,240	\$ 24,548	\$ 25,104	\$ 24,923	\$ 24,763
Non same-store								
Acquisitions ⁽²⁾	2,390	34,294	16,467	11,581	11,276	11,437	11,174	11,014
Development ⁽³⁾	401	696	13	445	214	37	22	13
Total rental and other property revenues	7,059	108,882	90,012	36,266	36,038	36,578	36,119	35,790
Property operating expenses								
Same-store		28,187	28,379	9,779	9,181	9,227	9,438	9,730
Non same-store								
Acquisitions		13,889	6,524	4,753	4,625	4,511	4,717	4,477
Development		1,007	25	456	304	247	52	25
Total property operating expenses		43,083	34,928	14,988	14,110	13,985	14,207	14,232
Net Operating Income (NOI)								
Same-store		45,705	45,153	14,461	15,367	15,877	15,485	15,033
Non same-store								
Acquisitions		20,405	9,943	6,828	6,651	6,926	6,457	6,537
Development		(311)	(12)	(11)	(90)	(210)	(30)	(12)
Total NOI		\$ 65,799	\$ 55,084	\$ 21,278	\$ 21,928	\$ 22,593	\$ 21,912	\$ 21,558
Same-store metrics								
Retention ⁽⁴⁾		56 %	55 %	55 %	59 %	55 %	55 %	56 %

¹⁾ Includes 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.

²⁾ Includes properties that were acquired within the years being compared. The property is categorized as same-store when it has been ready for its intended use for the entirety of the years being compared.

³⁾ Include 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. As of September 30, 2020, 205 of the 401 units in development were delivered.

⁴⁾ Represents the percentage of Same-store property leases renewed that were set to expire in the period presented.

Same-Store Operating Results - Multifamily
(Dollars in thousands, except Average Effective Monthly Rent per Unit)

Quarter-to-Date Comparison	Apt Units	Rental and Other Property Revenue			Property Operating Expenses			Net Operating Income			Average Occupancy			Average Effective Monthly Rent per Unit		
		Q3 2020	Q3 2019	% Change	Q3 2020	Q3 2019	% Change	Q3 2020	Q3 2019	% Change	Q3 2020	Q3 2019	% Change	Q3 2020	Q3 2019	% Change
Total/Weighted Average	4,268	\$24,240	\$24,763	(2.1) %	\$ 9,779	\$ 9,730	0.5 %	\$14,461	\$15,033	(3.8) %	93.5 %	95.0 %	(1.6) %	\$1,800	\$1,807	(0.4) %

Sequential Comparison	Apt Units	Rental and Other Property Revenue			Property Operating Expenses			Net Operating Income			Average Occupancy			Average Effective Monthly Rent per Unit		
		Q3 2020	Q2 2020	% Change	Q3 2020	Q2 2020	% Change	Q3 2020	Q2 2020	% Change	Q3 2020	Q2 2020	% Change	Q3 2020	Q2 2020	% Change
Total/Weighted Average	4,268	\$24,240	\$24,548	(1.3) %	\$ 9,779	\$ 9,181	6.5 %	\$14,461	\$15,367	(5.9) %	93.5 %	94.2 %	(0.7) %	\$1,800	\$1,831	(1.7) %

Year-to-Date Comparison	Apt Units	Rental and Other Property Revenue			Property Operating Expenses			Net Operating Income			Average Occupancy			Average Effective Monthly Rent per Unit		
		YTD 2020	YTD 2019	% Change	YTD 2020	YTD 2019	% Change	YTD 2020	YTD 2019	% Change	YTD 2020	YTD 2019	% Change	YTD 2020	YTD 2019	% Change
Total/Weighted Average	4,268	\$73,892	\$73,532	0.5 %	\$28,187	\$28,379	(0.7) %	\$45,705	\$45,153	1.2 %	94.4 %	97.3 %	(3.0) %	\$1,821	\$1,787	1.9 %

Same-Store Operating Expenses - Multifamily
(In thousands)

Quarter-to-Date Comparison	Q3 2020	Q3 2019	\$ Change	% Change	% of Q3 2020 Total
Controllable ⁽¹⁾	\$ 4,847	\$ 5,021	\$ (174)	(3.5) %	49.6 %
Non-Controllable ⁽²⁾	4,932	4,709	223	4.7 %	50.4 %
Total same-store operating expenses	\$ 9,779	\$ 9,730	\$ 49	0.5 %	100.0 %

Sequential Comparison	Q3 2020	Q2 2020	\$ Change	% Change	% of Q3 2020 Total
Controllable	\$ 4,847	\$ 4,618	\$ 229	5.0 %	49.6 %
Non-Controllable	4,932	4,563	369	8.1 %	50.4 %
Total same-store operating expenses	\$ 9,779	\$ 9,181	\$ 598	6.5 %	100.0 %

Year-to-Date Comparison	YTD 2020	YTD 2019	\$ Change	% Change	% of YTD 2020 Total
Controllable	\$ 13,795	\$ 14,157	(362)	(2.6) %	48.9 %
Non-Controllable	14,392	14,222	170	1.2 %	51.1 %
Total same-store operating expenses	\$ 28,187	\$ 28,379	\$ (192)	(0.7) %	100.0 %

⁽¹⁾ Controllable operating expenses consist of:
Payroll, Repairs & Maintenance, Marketing, Administrative and other

⁽²⁾ Non-Controllable operating expenses consist of:
Third-party Fees, Utilities, Insurance, and Real Estate Taxes

Same-Store Portfolio and Overall Average Occupancy Levels by Sector

Sector	Average Occupancy - Same-Store Properties ^{(1) (2)}				
	09/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Multifamily	93.5 %	94.2 %	95.6 %	94.9 %	95.0 %
Office	86.5 %	86.4 %	87.2 %	88.2 %	89.3 %
Other ⁽³⁾	85.8 %	87.2 %	91.0 %	89.6 %	88.9 %
Overall Portfolio	90.0 %	90.4 %	91.7 %	91.6 %	92.1 %

Sector	Average Occupancy - All Properties ⁽²⁾				
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Multifamily ⁽⁴⁾	94.3 %	94.5 %	95.4 %	94.8 %	95.0 %
Office	86.5 %	86.8 %	88.1 %	89.5 %	90.8 %
Other ⁽³⁾ and discontinued operations	85.8 %	87.2 %	91.0 %	89.6 %	89.5 %
Overall Portfolio ^{(4), (5)}	91.3 %	91.5 %	92.7 %	92.6 %	92.5 %

⁽¹⁾ Non same-store properties were:

Acquisitions:

Multifamily - Assembly Alexandria, Assembly Manassas, Assembly Dulles, Assembly Leesburg, Assembly Herndon, Assembly Germantown, Assembly Watkins Mill and Cascade at Landmark

Development:

Multifamily - Trove

Sold properties:

Office - Quantico Corporate Center, 1776 G Street and John Marshall II

Discontinued operations:

Retail - Wheaton Park, Bradlee Shopping Center, Shoppes at Foxchase, Gateway Overlook, Olney Village Center, Frederick County Square, Centre at Hagerstown and Frederick Crossing

⁽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," 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 other properties includes short-term lease agreements.

⁽³⁾ Consists of retail centers not classified as discontinued operations: Takoma Park, Westminster, Concord Centre, Chevy Chase Metro Plaza, 800 S. Washington Street, Randolph Shopping Center, Montrose Shopping Center and Spring Valley Village.

⁽⁴⁾ Average occupancy excludes the addition of the total rentable units at Trove, which began to lease-up in the first quarter of 2020. Including Trove, multifamily average occupancy was 89.9%, 89.5%, and 90.0% and overall portfolio average occupancy was 89.1%, 89.0% and 90.0% for each of the quarters ended September 30, 2020, June 30, 2020 and March 31, 2020, respectively.

⁽⁵⁾ Average occupancy based on monthly occupied net rentable square footage excludes the Assembly Portfolio and Cascade at Landmark for the 2019 periods.

Same-Store Portfolio and Overall Ending Occupancy Levels by Sector

Sector	Ending Occupancy - Same-Store Properties ^{(1) (2)}				
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Multifamily	94.0 %	93.8 %	95.3 %	95.0 %	95.1 %
Office	86.6 %	86.8 %	87.2 %	88.8 %	88.7 %
Other ⁽³⁾	86.8 %	84.0 %	91.1 %	90.9 %	89.0 %
Overall Portfolio	90.3 %	90.0 %	91.6 %	92.0 %	91.9 %

Sector	Ending Occupancy - All Properties ⁽²⁾				
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Multifamily ⁽⁴⁾	94.6 %	94.3 %	95.1 %	94.9 %	95.0 %
Office	86.6 %	86.8 %	88.1 %	89.6 %	90.3 %
Other ⁽³⁾	86.8 %	84.0 %	91.1 %	90.9 %	89.0 %
Overall Portfolio ⁽⁴⁾	91.6 %	91.7 %	92.5 %	92.8 %	93.0 %

⁽¹⁾ Non same-store properties were:

Acquisitions:

Multifamily - Assembly Alexandria, Assembly Manassas, Assembly Dulles, Assembly Leesburg, Assembly Herndon, Assembly Germantown, Assembly Watkins Mill and Cascade at Landmark

Development:

Multifamily - Trove

Sold properties:

Office - Quantico Corporate Center, 1776 G Street and John Marshall II

⁽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," 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 other properties includes short-term lease agreements.

⁽³⁾ Consists of retail centers not classified as discontinued operations: Takoma Park, Westminster, Concord Centre, Chevy Chase Metro Plaza, 800 S. Washington Street, Randolph Shopping Center, Montrose Shopping Center and Spring Valley Village.

⁽⁴⁾ Ending occupancy excludes the addition of the total rentable units at Trove, which began to lease-up in the first quarter of 2020. Including Trove, multifamily ending occupancy was 90.5%, 89.8%, and 89.9% and overall portfolio ending occupancy was 89.5%, 89.4% and 89.9% as of September 30, 2020, June 30, 2020 and March 31, 2020, respectively.

Acquisition and Disposition Summary

Dispositions

	<u>Location</u>	<u>Disposition Date</u>	<u>Property Type</u>	<u>Square Feet</u>	<u>Contract Sales Price (in thousands)</u>	<u>GAAP Loss on Sale (in thousands)</u>
John Marshall II	Tysons, VA	April 21, 2020	Office	223,000	\$ 57,000	\$ (6,855)
				<u>223,000</u>	<u>\$ 57,000</u>	<u>\$ (6,855)</u>

Development Summary
September 30, 2020

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	\$ 123,000	\$ 113,816	Phase I - first quarter 2020 ⁽²⁾ Phase II - fourth 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 205 units and a ten-level garage. In February 2020, leasing commenced with the first deliveries of Phase I units and the completion of the ten-level garage. Phase II consists of 196 units, with delivery of units anticipated to commence in the fourth quarter of 2020.

Commercial Leasing Summary - New Leases

	3rd Quarter 2020		2nd Quarter 2020		1st Quarter 2020		4th Quarter 2019		3rd Quarter 2019	
Gross Leasing Square Footage										
Office Buildings	19,159		19,795		45,976		46,286		35,364	
Retail Centers	5,900		420		15,392		8,466		4,624	
Total	25,059		20,215		61,368		54,752		39,988	
Weighted Average Term (years)										
Office Buildings	5.3		8.3		4.4		7.8		9.0	
Retail Centers	12.1		5.0		5.5		14.9		3.8	
Total	6.9		8.3		4.7		8.9		9.2	
Weighted Average Free Rent Period (months)										
Office Buildings	6.2		7.3		1.1		6.9		9.4	
Retail Centers	5.2		—		1.1		6.4		3.0	
Total	6.1		7.3		1.1		6.8		8.8	
Rental Rate Increases:	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH
Rate on expiring leases										
Office Buildings	\$ 41.57	\$ 44.81	\$ 54.47	\$ 50.74	\$ 43.39	\$ 43.12	\$ 43.09	\$ 43.81	\$ 42.68	\$ 43.70
Retail Centers	18.87	16.11	15.93	15.00	17.96	17.90	60.79	50.44	40.59	38.41
Total	\$ 36.23	\$ 38.06	\$ 53.67	\$ 50.00	\$ 37.01	\$ 36.80	\$ 45.83	\$ 44.83	\$ 42.44	\$ 43.09
Rate on new leases										
Office Buildings	\$ 45.74	\$ 43.06	\$ 54.89	\$ 49.55	\$ 47.20	\$ 45.37	\$ 57.63	\$ 52.52	\$ 52.20	\$ 47.09
Retail Centers	18.87	16.10	15.93	15.00	21.31	19.36	61.86	51.03	40.59	38.41
Total	\$ 39.41	\$ 36.72	\$ 54.08	\$ 48.83	\$ 40.71	\$ 38.85	\$ 58.28	\$ 52.29	\$ 50.86	\$ 46.09
Percentage Increase										
Office Buildings	10.0 %	(3.9)%	0.8 %	(2.3)%	8.8 %	5.2 %	33.7 %	19.9 %	22.3 %	7.8 %
Retail Centers	— %	(0.1)%	— %	— %	18.7 %	8.2 %	1.8 %	1.2 %	— %	— %
Total	8.8 %	(3.5)%	0.8 %	(2.3)%	10.0 %	5.6 %	27.2 %	16.6 %	19.8 %	7.0 %
	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	\$ 895,267	\$ 46.73	\$ 1,667,073	\$ 84.22	\$ 480,677	\$ 10.45	\$ 3,234,510	\$ 69.88	\$ 2,545,774	\$ 71.99
Retail Centers	164,406	27.87	3,000	7.14	9,000	0.58	1,075,385	127.02	—	—
Subtotal	\$ 1,059,673	\$ 42.29	\$ 1,670,073	\$ 82.62	\$ 489,677	\$ 7.98	\$ 4,309,895	\$ 78.71	\$ 2,545,774	\$ 63.66
Leasing Commissions										
Office Buildings	\$ 229,690	\$ 11.99	\$ 464,719	\$ 23.48	\$ 240,732	\$ 5.24	\$ 1,172,922	\$ 25.34	\$ 944,177	\$ 26.70
Retail Centers	8,665	1.47	1,338	3.19	95,055	6.18	360,543	42.59	31,238	6.76
Subtotal	\$ 238,355	\$ 9.51	\$ 466,057	\$ 23.06	\$ 335,787	\$ 5.47	\$ 1,533,465	\$ 28.01	\$ 975,415	\$ 24.39
Tenant Improvements and Leasing Commissions										
Office Buildings	\$ 1,124,957	\$ 58.72	\$ 2,131,792	\$ 107.70	\$ 721,409	\$ 15.69	\$ 4,407,432	\$ 95.22	\$ 3,489,951	\$ 98.69
Retail Centers	173,071	29.34	4,338	10.33	104,055	6.76	1,435,928	169.61	31,238	6.76
Total	\$ 1,298,028	\$ 51.80	\$ 2,136,130	\$ 105.68	\$ 825,464	\$ 13.45	\$ 5,843,360	\$ 106.72	\$ 3,521,189	\$ 88.05

Note: This table excludes short-term lease agreements and activity at properties sold during the quarter. The cost of landlord build-out on Space+ leases that are excluded from Tenant Improvements in the table above totaled \$0.2 million and \$1.3 million for leases executed in Q3 2020 and YTD 2020, respectively.

Commercial Leasing Summary - Renewal Leases

	3rd Quarter 2020		2nd Quarter 2020		1st Quarter 2020		4th Quarter 2019		3rd Quarter 2019	
Gross Leasing Square Footage										
Office Buildings	39,955		15,359		42,574		56,811		15,936	
Retail Centers	7,635		—		19,350		8,193		11,145	
Total	47,590		15,359		61,924		65,004		27,081	
Weighted Average Term (years)										
Office Buildings	7.2		1.7		3.7		8.7		3.9	
Retail Centers	1.8		—		7.1		5.0		7.8	
Total	6.3		1.7		4.8		8.2		5.5	
Weighted Average Free Rent Period (months)										
Office Buildings	6.9		4.5		1.2		6.5		1.5	
Retail Centers	5.4		—		0.1		1.1		—	
Total	6.7		4.5		1.0		5.8		0.9	
Rental Rate Increases:	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH
Rate on expiring leases										
Office Buildings	\$ 33.30	\$ 35.00	\$ 43.93	\$ 50.65	\$ 43.46	\$ 44.70	\$ 37.12	\$ 37.67	\$ 44.38	\$ 46.25
Retail Centers	35.45	39.62	—	—	19.88	20.96	36.13	38.30	31.30	32.75
Total	\$ 33.65	\$ 35.74	\$ 43.93	\$ 50.65	\$ 36.09	\$ 37.28	\$ 37.00	\$ 37.75	\$ 39.00	\$ 40.70
Rate on new leases										
Office Buildings	\$ 39.15	\$ 36.18	\$ 52.44	\$ 51.62	\$ 46.39	\$ 45.00	\$ 47.03	\$ 42.21	\$ 51.27	\$ 49.29
Retail Centers	41.27	40.92	—	—	21.73	20.64	39.33	38.06	42.24	40.38
Total	\$ 39.49	\$ 36.94	\$ 52.44	\$ 51.62	\$ 38.69	\$ 37.39	\$ 46.06	\$ 41.69	\$ 47.55	\$ 45.62
Percentage Increase										
Office Buildings	17.6 %	3.4 %	19.4 %	1.9 %	6.7 %	0.7 %	26.7 %	12.1 %	15.5 %	6.6 %
Retail Centers	16.4 %	3.3 %	— %	— %	9.3 %	(1.5)%	8.9 %	(0.6)%	35.0 %	23.3 %
Total	17.4 %	3.4 %	19.4 %	1.9 %	7.2 %	0.3 %	24.5 %	10.4 %	21.9 %	12.1 %
	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	\$ 912,553	\$ 22.84	\$ —	\$ —	\$ 79,005	\$ 1.86	\$ 2,101,721	\$ 36.99	\$ 23,882	\$ 1.50
Retail Centers	—	—	—	—	125,447	6.48	—	—	—	—
Subtotal	\$ 912,553	\$ 19.18	\$ —	\$ —	\$ 204,452	\$ 3.30	\$ 2,101,721	\$ 32.33	\$ 23,882	\$ 0.88
Leasing Commissions										
Office Buildings	\$ 207,400	\$ 5.19	\$ 41,780	\$ 2.72	\$ 209,309	\$ 4.92	\$ 1,144,764	\$ 20.15	\$ 101,139	\$ 6.35
Retail Centers	—	—	—	—	34,498	1.78	20,099	2.45	34,664	3.11
Subtotal	\$ 207,400	\$ 4.36	\$ 41,780	\$ 2.72	\$ 243,807	\$ 3.94	\$ 1,164,863	\$ 17.92	\$ 135,803	\$ 5.01
Tenant Improvements and Leasing Commissions										
Office Buildings	\$ 1,119,953	\$ 28.03	\$ 41,780	\$ 2.72	\$ 288,314	\$ 6.78	\$ 3,246,485	\$ 57.14	\$ 125,021	\$ 7.85
Retail Centers	—	—	—	—	159,945	8.26	20,099	2.45	34,664	3.11
Total	\$ 1,119,953	\$ 23.54	\$ 41,780	\$ 2.72	\$ 448,259	\$ 7.24	\$ 3,266,584	\$ 50.25	\$ 159,685	\$ 5.89

Note: This table excludes short-term lease agreements and activity at properties sold during the quarter.

10 Largest Tenants - Based on Annualized Commercial Income
 September 30, 2020

Tenant	Number of Buildings	Weighted Average Remaining Lease Term in Months	Percentage of Aggregate Portfolio Annualized Commercial Income	Aggregate Rentable Square Feet	Percentage of Aggregate Occupied Square Feet
Atlantic Media, Inc.	1	85	5.5 %	134,084	4.1 %
Capital One, N.A.	3	19	4.2 %	143,090	4.4 %
EIG Management Company, LLC	1	204	2.2 %	51,358	1.6 %
B. Riley Financial	1	27	2.2 %	54,540	1.7 %
Epstein, Becker & Green, P.C.	1	99	2.1 %	55,318	1.7 %
Hughes Hubbard & Reed LLP	1	149	2.0 %	47,788	1.5 %
Morgan Stanley Smith Barney Financing	1	120	1.8 %	42,316	1.3 %
Promontory Interfinancial Network, LLC	1	74	1.7 %	36,867	1.1 %
Raytheon BBN Technologies Corporation	1	30	1.6 %	43,277	1.3 %
Graham Holdings Company	1	50	1.6 %	33,815	1.0 %
Total/Weighted Average		77	24.9 %	642,453	19.7 %

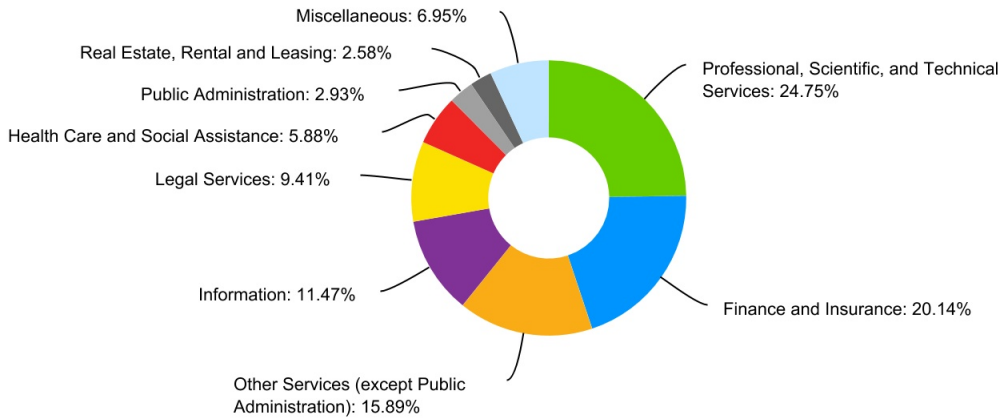
Note: This table excludes short-term lease agreements.

Industry Diversification - Office
 September 30, 2020

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	\$ 31,107,025	24.75 %	705,013	27.41 %
Finance and Insurance	25,316,702	20.14 %	471,326	18.32 %
Other Services (except Public Administration)	19,978,011	15.89 %	398,857	15.51 %
Information	14,418,496	11.47 %	273,456	10.63 %
Legal Services	11,830,282	9.41 %	222,482	8.65 %
Health Care and Social Assistance	7,393,040	5.88 %	186,903	7.27 %
Public Administration	3,678,907	2.93 %	47,956	1.86 %
Real Estate, Rental and Leasing	3,242,375	2.58 %	72,952	2.84 %
Miscellaneous:				
Retail Trade	3,139,768	2.50 %	53,448	2.08 %
Accommodation and Food Services	1,731,310	1.38 %	45,521	1.77 %
Other	3,856,156	3.07 %	94,488	3.66 %
Total	\$ 125,692,072	100.00 %	2,572,402	100.00 %

Note: Federal government tenants comprise 2.5% of annualized base rental revenue.

Percentage of Aggregated Annualized Rent



Lease Expirations
September 30, 2020

Year	Number of Leases	Rentable Square Feet	Percent of Rentable Square Feet	Annualized Rent ⁽¹⁾	Average Rental Rate	Percent of Annualized Rent ⁽¹⁾
Office:						
2020	12	56,866	2.22 %	\$ 3,005,133	\$ 52.85	2.13 %
2021	54	227,232	8.88 %	9,144,786	40.24	6.49 %
2022	44	372,864	14.57 %	18,602,269	49.89	13.19 %
2023	61	343,814	13.43 %	17,146,024	49.87	12.16 %
2024	54	294,382	11.50 %	15,799,644	53.67	11.20 %
2025 and thereafter	150	1,264,782	49.40 %	77,313,748	61.13	54.83 %
	<u>375</u>	<u>2,559,940</u>	<u>100.00 %</u>	<u>\$ 141,011,604</u>	<u>55.08</u>	<u>100.00 %</u>
Other:						
2020	3	11,658	1.99 %	\$ 168,777	\$ 14.48	1.14 %
2021	10	62,807	10.73 %	1,396,583	22.24	9.45 %
2022	14	92,934	15.87 %	1,961,465	21.11	13.27 %
2023	18	65,858	11.25 %	1,644,596	24.97	11.13 %
2024	14	130,534	22.29 %	3,009,903	23.06	20.37 %
2025 and thereafter	38	221,800	37.87 %	6,595,682	29.74	44.64 %
	<u>97</u>	<u>585,591</u>	<u>100.00 %</u>	<u>\$ 14,777,006</u>	<u>25.23</u>	<u>100.00 %</u>
Total:						
2020	15	68,524	2.18 %	\$ 3,173,910	\$ 46.32	2.04 %
2021	64	290,039	9.22 %	10,541,369	36.34	6.77 %
2022	58	465,798	14.81 %	20,563,734	44.15	13.20 %
2023	79	409,672	13.02 %	18,790,620	45.87	12.06 %
2024	68	424,916	13.51 %	18,809,547	44.27	12.07 %
2025 and thereafter	188	1,486,582	47.26 %	83,909,430	56.44	53.86 %
	<u>472</u>	<u>3,145,531</u>	<u>100.00 %</u>	<u>\$ 155,788,610</u>	<u>49.53</u>	<u>100.00 %</u>

Note: This table excludes short-term temporary license agreements and office space managed by WashREIT.

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

Schedule of Properties
September 30, 2020

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	# OF UNITS	NET RENTABLE SQUARE FEET	LEASED % ⁽¹⁾	ENDING OCCUPANCY ⁽¹⁾
<u>Multifamily Buildings / # units</u>							
Clayborne	Alexandria, VA	2008	2008	74	60,000	98.6 %	98.6 %
Riverside Apartments	Alexandria, VA	2016	1971	1,222	1,001,000	96.3 %	93.6 %
Assembly Alexandria	Alexandria, VA	2019	1990	532	437,000	98.3 %	96.4 %
Cascade at Landmark	Alexandria, VA	2019	1988	277	273,000	96.4 %	93.5 %
Park Adams	Arlington, VA	1969	1959	200	173,000	97.0 %	94.0 %
Bennett Park	Arlington, VA	2007	2007	224	215,000	97.8 %	96.9 %
The Maxwell	Arlington, VA	2011	2014	163	116,000	99.4 %	97.5 %
The Paramount	Arlington, VA	2013	1984	135	141,000	97.8 %	94.1 %
The Wellington	Arlington, VA	2015	1960	711	600,000	96.5 %	93.7 %
Roosevelt Towers	Falls Church, VA	1965	1964	191	170,000	96.9 %	94.2 %
The Ashby at McLean	McLean, VA	1996	1982	256	274,000	96.9 %	95.7 %
Assembly Dulles	Herndon, VA	2019	2000	328	361,000	96.6 %	96.0 %
Assembly Herndon	Herndon, VA	2019	1991	283	221,000	95.8 %	94.7 %
Assembly Manassas	Manassas, VA	2019	1986	408	390,000	97.1 %	95.8 %
Assembly Leesburg	Leesburg, VA	2019	1986	134	124,000	95.5 %	95.5 %
Bethesda Hill Apartments	Bethesda, MD	1997	1986	195	225,000	99.0 %	95.9 %
Assembly Germantown	Germantown, MD	2019	1990	218	211,000	97.7 %	97.2 %
Assembly Watkins Mill	Gaithersburg, MD	2019	1975	210	193,000	96.7 %	95.2 %
3801 Connecticut Avenue	Washington, DC	1963	1951	307	178,000	93.5 %	91.2 %
Kenmore Apartments	Washington, DC	2008	1948	374	268,000	92.2 %	90.6 %
Yale West	Washington, DC	2014	2011	216	173,000	95.4 %	94.9 %
Subtotal Stabilized Properties				6,658	5,804,000	96.5 %	94.6 %
Trove ⁽²⁾	Arlington, VA	2015	2020	401	293,000	26.4 %	22.7 %
Subtotal All Properties				7,059	6,097,000		

⁽¹⁾ Leased percentage and ending occupancy calculations are based on units for multifamily buildings.

⁽²⁾ This development project consists of 401 units with 205 units delivered in 2020. See page 27 for further information.

Schedule of Properties (continued)

September 30, 2020

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET	LEASED % ⁽¹⁾	ENDING OCCUPANCY ⁽¹⁾
<u>Office Buildings</u>						
515 King Street	Alexandria, VA	1992	1966	75,000	81.5 %	81.5 %
Courthouse Square	Alexandria, VA	2000	1979	121,000	80.0 %	80.0 %
1600 Wilson Boulevard	Arlington, VA	1997	1973	171,000	88.5 %	88.5 %
Fairgate at Ballston	Arlington, VA	2012	1988	144,000	86.3 %	86.3 %
Arlington Tower	Arlington, VA	2018	1980/2014	390,000	92.4 %	90.4 %
Monument II	Herndon, VA	2007	2000	207,000	96.3 %	92.2 %
Silverline Center	Tysons, VA	1997	1972/1986/1999/2015	550,000	82.8 %	81.0 %
1901 Pennsylvania Avenue	Washington, DC	1977	1960	101,000	86.4 %	82.0 %
1220 19th Street	Washington, DC	1995	1976	103,000	85.5 %	79.4 %
2000 M Street	Washington, DC	2007	1971	233,000	84.6 %	84.6 %
1140 Connecticut Avenue	Washington, DC	2011	1966	184,000	88.6 %	88.2 %
1227 25th Street	Washington, DC	2011	1988	135,000	89.6 %	89.6 %
Army Navy Building	Washington, DC	2014	1912/1987/2017	108,000	100.0 %	100.0 %
1775 Eye Street, NW	Washington, DC	2014	1964	189,000	86.6 %	86.6 %
Watergate 600	Washington, DC	2017	1972/1997	294,000	89.2 %	89.1 %
Subtotal				3,005,000	87.8 %	86.6 %

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

Schedule of Properties (continued)
September 30, 2020

<u>PROPERTIES</u>	<u>LOCATION</u>	<u>YEAR ACQUIRED</u>	<u>YEAR CONSTRUCTED</u>	<u>NET RENTABLE SQUARE FEET</u>	<u>LEASED % ⁽¹⁾</u>	<u>ENDING OCCUPANCY ⁽¹⁾</u>
Retail Centers						
800 S. Washington Street	Alexandria, VA	1998/2003	1955/1959	46,000	95.1 %	90.7 %
Concord Centre	Springfield, VA	1973	1960	75,000	89.5 %	87.0 %
Randolph Shopping Center	Rockville, MD	2006	1972	83,000	91.4 %	86.6 %
Montrose Shopping Center	Rockville, MD	2006	1970	149,000	74.4 %	74.4 %
Takoma Park	Takoma Park, MD	1963	1962	51,000	100.0 %	100.0 %
Westminster	Westminster, MD	1972	1969	150,000	94.2 %	94.2 %
Chevy Chase Metro Plaza	Washington, DC	1985	1975	49,000	83.0 %	83.0 %
Spring Valley Village	Washington, DC	2014	1941/1950/2018	94,000	93.8 %	87.6 %
Subtotal				<u>697,000</u>	88.8 %	86.8 %
TOTAL PORTFOLIO				<u>9,799,000</u>		

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

Supplemental Definitions

September 30, 2020

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 Effective Rent per Unit represents the average of gross rent amounts, divided by the average occupancy (in units) for the period presented.

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, except Multifamily, on which ending occupancy is calculated as occupied units as a percentage of total available units as of the last day of that period.

NAREIT Funds from operations ("NAREIT FFO") is defined by 2018 National Association of Real Estate Investment Trusts, Inc. ("NAREIT") FFO White Paper Restatement, as net income (computed in accordance with generally accepted accounting principles ("GAAP")) excluding gains (or losses) associated with the sale 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 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 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.

Short-term leases are commercial leases with a term of less than 12 months.

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 WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Currently, one of the most significant factors is the adverse effect of the COVID-19 virus and ensuing economic turmoil on the financial condition, results of operations, cash flows and performance of WashREIT, particularly the impact of our ability to collect rent on schedule or at all, our ability to lease or release our commercial spaces, and increased credit losses, on the performance of our tenants generally, and on the global economy and financial markets. The extent to which COVID-19 impacts WashREIT and its tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, investors are cautioned to interpret many of the risks identified in the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2019, as amended by Amendment No. 1 to the Annual Report on Form 10-K, filed on March 6, 2020, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on April 27, 2020, as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19. Additional factors which may cause the actual results, performance, or achievements of WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to the risks associated with the closing and funding of our recent notes offering, the ownership of real estate in general and our real estate assets in particular; the economic health of the greater Washington metro region; 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; changes in the composition of our portfolio; 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, natural disasters and pandemics; 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 2019 Form 10-K, as amended by Amendment No. 1 to the Annual Report on Form 10-K, filed on March 6, 2020, 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.