

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

OR

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

FOR THE FISCAL YEAR ENDED December 31, 1994 COMMISSION FILE NO. 1-6622

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

<TABLE>
<S> DISTRICT OF COLUMBIA <C> 53-0261100
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification Number)
</TABLE>

10400 CONNECTICUT AVENUE, KENSINGTON, MARYLAND 20895

(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code (301) 929-5900

<TABLE>
<S> Title of Each Class <C> Name of exchange on which registered
Shares of Beneficial Interest (No Par Value) American Stock Exchange
</TABLE>

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or such shorter period that the Registrant was required to file such report) and (2) has been subject to such filing requirements for the past ninety (90) days. YES X NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 24, 1995, 28,242,544 Shares of Beneficial Interest were outstanding and the aggregate market value of such shares held by non-affiliates of the registrant was approximately \$430,529,000 (based on the closing price of the stock on March 24, 1995).

WASHINGTON REAL ESTATE INVESTMENT TRUST

1994 FORM 10-K ANNUAL REPORT

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Form 10-K is incorporated by reference from the Trust's 1995 Notice of Annual Meeting and Proxy Statement.

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PART I

ITEM 1. BUSINESS

Washington Real Estate Investment Trust (WRIT or the Trust) is a self-administered qualified equity real estate investment trust. The Trust's business consists of the ownership of income-producing real estate properties principally in the Washington, D.C. metropolitan area. Upon the purchase of a property, WRIT begins a program of improving the real estate to increase the value and to improve the operations with the goals of generating higher rental income and reducing expenses.

WRIT has elected to qualify as a real estate investment trust under the Internal Revenue Code. Accordingly, WRIT is relieved of federal income taxes provided that its ordinary income and capital gains are distributed to shareholders in the form of dividends. Over the last five years dividends paid per share have been \$.92 for 1994, \$.89 for 1993, \$.84 for 1992, \$.79 for 1991 and \$.73 for 1990. The indicated annualized dividend rate for 1995, based upon the March 31, 1995 dividend, is \$.96.

The Trust currently owns a diversified portfolio consisting of eleven shopping centers, thirteen office buildings, five high-rise apartment buildings and eight business centers. WRIT's principal objective is to invest in high quality real estate in prime locations and to monitor closely the management of these properties, including active leasing and ongoing capital improvement programs. The percentage of total real estate rental revenue by property group for 1994, 1993 and 1992 and the percent leased as of December 31, 1994 were as follows:

Percent Leased		Real Estate Rental Revenue		
December 31, 1994		1994	1993	1992
-----		----	----	----
<S>	<C>	<C>	<C>	<C>
92%	Office buildings	39%	34%	33%
95%	Apartment buildings	25%	27%	31%
95%	Shopping centers	26%	29%	24%
94%	Business centers	10%	10%	12%
		----	----	----
		100%	100%	100%
		====	====	====

</TABLE>

On a combined basis, WRIT's portfolio was 95% occupied in 1994 and 1993 and 93% in 1992.

Total revenue was \$45,511,482 for 1994, \$39,375,282 for 1993 and \$34,132,217 for 1992. In 1992 through 1994 there were acquisitions of seven office buildings which increased this group's percentage of total revenue. No single tenant accounted for more than 2.25% of 1994 revenue. Various agencies of the U.S. Government are counted separately and include the Department of Commerce, Immigration and Naturalization Service, Department of Justice, Social Security Administration and U.S. Patent Office. The larger non-federal government tenants include the District of Columbia Metropolitan Police Department, Pepsi

Cola, Giant Food, Crestar Bank, Evans, CVS, Rite-Aid, and Montgomery County, Maryland.

Only one property - Montgomery Village Shopping Center described in Item 2 under "Shopping Centers" - accounted for more than 10% of total assets. In June 1994, WRIT acquired the Tycon II and Tycon III office buildings in one transaction. The aggregate price for the two buildings represents more than 10% of total assets, however, the individual basis of each building does not. No single property accounted for more than 10% of 1994 revenues.

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ITEM 1. BUSINESS, (continued)

WRIT's properties compete for tenants with other properties throughout the respective areas in which they are located. All properties compete for tenants on the basis of location, quality and rent charged. Generally, the Trust has experienced lower vacancy rates than those prevailing in the markets in which its properties are located.

The actual day-to-day management functions at the properties owned by the Trust are carried out by an independent management company. WRIT closely monitors the activities of this company to assure the highest quality of services and cost controls. No WRIT Trustee or officer is a director or officer, or owns any interest in the management company.

The Trust has purchased real estate primarily in the Washington Metropolitan Area because of management's familiarity with the area and the growth and stability of the Nation's Capital. The Trust believes that the stable employment base provided by the federal government, supplemented by continuing business growth in the region, makes the Washington, D.C. metropolitan area an attractive real estate market. Of the 37 properties owned by WRIT, 34 are in the immediate Washington Metropolitan Area. The three remaining are shopping centers located in Westminster and Salisbury, Maryland and Dover, Delaware.

The Trust also competes for the opportunity to invest in additional property. WRIT acquires property which management believes has strong growth potential in prime locations. WRIT typically is a cash buyer for 100% ownership of the property. Over the years, properties have also been acquired by trades involving tax-free exchanges.

Capital improvements are made by WRIT on an ongoing basis to its properties for the purpose of maintaining and increasing their value. Major improvements and/or renovations to the properties in 1994 and planned for 1995 are discussed by property category on pages 6-8.

Further description of the property groups is contained in Item 2, Properties and in Schedule III. Reference is also made to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Trust's shares have been traded on the American Stock Exchange since 1971. This provides the vehicle which allows shareholders to pool their funds to share in the ownership of a large, diversified portfolio of income-producing real estate while maintaining investment liquidity. The Trust's shares were split 3-for-1 in March, 1981, 3-for-2 in July, 1985, 3-for-2 in December, 1988 and 3-for-2 in May, 1992.

The number of persons employed by the Trust was 25 as of December 31, 1994.

ITEM 2. PROPERTIES

The following schedule lists the Trust's real estate investment portfolio as of December 31, 1994. The Montgomery Village Center, listed as one property, consists of one shopping center and office/townhouse units named the Village Quarters. Therefore, the total number of properties is 37.

As of December 31, 1994 the percent leased is the percentage of net rentable space for which fully executed leases exist and may include signed leases for space not yet occupied by the tenant.

Cost information is included in Schedule III of this Form 10-K Annual Report.

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SCHEDULE OF PROPERTIES

<TABLE>
<CAPTION>

Percent				Net Rentable*	
Property	Location	Year Acquired	Year Constructed	Square Feet (1)	Leased 12/31/94
----	-----	-----	-----	-----	-----
--					
<S>	<C>	<C>	<C>	<C>	<C>

Shopping Centers

Concord Centre	Springfield, VA	1973	1960	76,383	100%
Bradlee	Alexandria, VA	1984	1955	167,974	100%
Clairmont	Salisbury, MD	1976	1965	40,455	100%
Dover Mart	Dover, DE	1973	1960	44,044	100%
Jenifer	Washington, DC	1985	1975	39,304	92%
Prince William Plaza	Woodbridge, VA	1968	1967	53,999	72%
Takoma Park	Takoma Park, MD	1963	1962	58,811	100%
Westminster	Westminster, MD	1972	1969	171,531	88%
Wheaton Park	Wheaton, MD	1977	1967	46,716	100%
Montgomery Village Center	Gaithersburg, MD	1992	1969	196,464	99%
Foxchase	Alexandria, VA	1994	1960	127,564	94%
Sub-total				1,023,245	

Office Buildings

10400 Connecticut Avenue	Kensington, MD	1979	1965	65,885	100%
1901 Pennsylvania Avenue	Washington, DC	1977	1960	96,506	52%
One Metro Square	Rockville, MD	1979	1975	208,243	97%
444 N. Frederick Avenue	Gaithersburg, MD	1989	1981	65,809	92%
7700 Leesburg Pike	Falls Church, VA	1990	1976	122,257	96%
Arlington Financial Center	Arlington, VA	1992	1963	51,655	100%
515 King Street	Alexandria, VA	1992	1966	78,073	96%
Lexington	Rockville, MD	1993	1970	47,751	100%
Saratoga	Rockville, MD	1993	1977	59,014	96%
Brandywine	Rockville, MD	1993	1969	34,982	100%
Tycon II	Vienna, VA	1994	1981	141,043	87%
Tycon III	Vienna, VA	1994	1978	151,670	94%
Sub-total				1,122,888	

Apartment Buildings/# units

Country Club Towers/227	Arlington, VA	1969	1965	276,000	91%
Munson Hill Towers/279	Falls Church, VA	1970	1963	340,000	96%
Park Adams/200	Arlington, VA	1969	1959	210,000	99%
Roosevelt Towers/191	Falls Church, VA	1965	1964	229,000	95%
Wiltshire North/307	Washington, DC	1963	1951	242,000	95%
Sub-total				1,297,000	

Business Centers

Pepsi-Cola Distribution	Forestville, MD	1987	1971	68,750	100%
Capitol Freeway Center	Washington, DC	1974	1940	145,000	100%
Department of Commerce	Springfield, VA	1971	1964	105,000	100%
Fullerton	Springfield, VA	1985	1980	103,339	91%
Port Royal Center	Springfield, VA	1986	1965	29,000	100%
Shirley I-395	Arlington, VA	1961/1986	1960	112,585	95%
V Street Distribution	Washington, DC	1973	1960	30,753	0%
Charleston Business Center	Rockville, MD	1993	1973	85,267	95%
Sub-total				679,694	

TOTAL

4,122,827
=====

</TABLE>

*Apartment buildings are presented in gross square feet

(1) Property square feet, reported in prior 10-K filings, was presented at gross. Gross square feet includes surface and garage parking, if applicable.

SHOPPING CENTERS

In February 1994, WRIT purchased land adjacent to its Wheaton Park Shopping Center for a total contract purchase price of \$173,000 and WRIT plans to add additional retail and parking space to the center. On June 30, 1994, WRIT purchased The Shoppes of Foxchase in Alexandria, Virginia at a contract purchase price of \$8,800,000. The center has approximately 128,000 rentable square feet. WRIT borrowed \$9,000,000 for this acquisition and planned capital improvements. In 1994, cosmetic improvements were made to the property and as of December 31, 1994, the property was 94% leased. Foxchase renovations planned for 1995 include re-paving of the rear alley and adding 54 parking spaces.

Major capital improvements completed during 1994 included:

- A new facade, landscaping, island additions and overall cosmetic improvements at Westminster Shopping Center
- New roof at Concord Shopping Center
- Conversion of the mezzanine to office use at Wheaton Park

- Shopping Center
- Major roof and HVAC improvements at Montgomery Village Shopping Center

Major capital improvements planned in 1995 for shopping centers include the completion in spring 1995 of the underground space conversion at Jenifer One Mall into mezzanine level retail space, the majority of which is leased to a national retail tenant. An addition at Wheaton Park Shopping Center to increase rentable area by 20,000 square feet is planned to commence in late 1995 or early 1996.

In 1994, average shopping center occupancy, excluding Foxchase, was 96%. For all shopping centers, the consolidated average occupancy was 97% for 1994, 1993 and 1992.

Most shopping center leases have automatic annual increases based on changes in the Consumer Price Index. In addition, these leases contain clauses for reimbursement for real estate taxes, common area maintenance and contingent rentals for additional rents based on a percentage of a tenant's gross sales.

OFFICE BUILDINGS

On June 1, 1994, WRIT acquired Tycon Plaza in Vienna, Virginia at a contract purchase price of \$21,250,000. Tycon Plaza consists of two office buildings containing approximately 293,000 rentable square feet. WRIT borrowed \$9,000,000 and invested \$12,800,000 of its own funds for the purchase and planned capital improvements. The Tycon Buildings were 71% occupied on acquisition in June of 1994, and 90% occupied at December 31, 1994. In 1994, major capital improvements to Tycon II and III included HVAC repairs and replacements (continuing into 1995), landscaping and a new roof at Tycon III. 1995 planned improvements to the Tycon Plaza buildings include new signage, flagstone repairs and completion of major HVAC improvements that commenced in 1994.

Major capital improvements completed during 1994 included:

- New roof at 1901 Pennsylvania Avenue
- Lighting retrofits at 444 N. Frederick Avenue
- New glass storefront at 7700 Leesburg Pike
- Installation of an energy management system, a new roof and the addition of windows to an area of the building previously unleaseable at 515 King Street
- HVAC repairs, signage, fire safety, new roof, and major parking deck repairs at the Heritage office buildings
- New rooftop units, boilers/ chillers at 10400 Connecticut Avenue and One Metro Square
- New antenna tower at One Metro Square

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OFFICE BUILDINGS, (CONTINUED)

In 1995, WRIT has major capital improvement plans for three of its office buildings; 1901 Pennsylvania Avenue, One Metro Square, and 7700 Leesburg Pike. Improvement plans at 1901 Pennsylvania Avenue include renovations to the main lobby, common areas, elevator cabs, exterior cosmetic improvements and HVAC equipment replacements. At One Metro Square, WRIT plans to replace the roof, renovate the elevator cabs and repair and replace elevator equipment. At 7700 Leesburg Pike, WRIT plans to convert 20,000 square feet of existing upper-level (surface) parking space into 20,000 square feet of enclosed office space.

In 1994, average building occupancy, excluding the Tycon Plaza office buildings, was 95%. For all office buildings, the consolidated average occupancy was 89% for 1992, 94% for 1993 and 93% for 1994. WRIT expects that office building occupancy will continue to improve.

Office building leases generally have a three to five year term. Most leases have automatic annual increases based on changes in the Consumer Price Index.

APARTMENT BUILDINGS

WRIT's five high-rise apartment buildings are well located and have a combined total of approximately 1,200 units consisting of efficiency and one-two-or three bedroom apartments. Apartment leases are generally for periods of one year or less. There is a continuous emphasis on the upgrading of the quality of management and services to residents. Improvement programs during 1992, 1993 and 1994 have included remodeled lobbies, modernized kitchens and bathrooms, and improved security. These programs were designed to increase resident retention and to enhance the appeal in the market.

In 1995, for all apartment properties, WRIT intends to continue its modernization of kitchens and bathrooms for units not modernized in prior years, and to modify the elevators and public restrooms in accordance with the requirements of the Americans with Disabilities Act (ADA). Improvement plans at Country Club Towers and Wiltshire North include the installation of energy management systems. Wiltshire North improvement plans also include major repairs to the HVAC system. At Park Adams, major repairs to the swimming pool and deck, replacement of building windows and improvements to the parking lot lighting are planned. For all of the Virginia apartment buildings, WRIT plans

to re-surface and re-stripe the parking lots in 1995.

Four of the apartment buildings are in nearby northern Virginia with convenient transportation routes to downtown Washington. Wiltshire North is on Connecticut Avenue in Washington, D.C. and these apartments are subject to the rent control laws of the District of Columbia. The laws provide landlords with annual rent increases tied to the rate of inflation subject to an annual maximum of 10% and also afford landlords the opportunity for additional rent increases as units are re-rented to new tenants. Occupancy rates for all apartments were 94% for 1992, 95% for 1993 and 97% for 1994.

BUSINESS CENTERS

WRIT's business centers provide warehousing, distribution, research and development and service business and office space to tenants as varied as the U.S. Postal Service, Washington Golf Center, the District of Columbia Metropolitan Police Department, Pepsi Cola and the U.S. Department of Commerce.

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BUSINESS CENTERS, (CONTINUED)

Major capital improvements completed during 1994 included:

- HVAC and facia improvements at the Department of Commerce
- New roofs at V Street Distribution Center and Charleston Business Center

As a group, business center occupancy averaged 93% for 1992, 89% for 1993 and 94% for 1994.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 1994.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Trust's Shares of Beneficial Interest are traded on the American Stock Exchange and there are approximately 32,000 shareholders.

The high and low sales price for the Trust's shares for 1994 and 1993, by quarter, and the amount of dividends paid by the Trust are as follows:

<TABLE>
<CAPTION>

Quarter	Dividends Per Share	Quarterly Share Price Range	
		High	Low
<S>	<C>	<C>	<C>
1994			
4	\$.23	\$18	\$14 7/8
3	.23	19 7/8	17
2	.23	21 1/8	17 5/8
1	.23	21	18 5/8
1993			
4	\$.23	\$22 1/8	\$18 5/8
3	.22	23 3/8	21 3/8
2	.22	23	19 1/8
1	.22	24 3/4	18 3/4

</TABLE>

The Trust has historically paid dividends on a quarterly basis and there are currently no restrictions on the Trust's present or future ability to pay such dividends. Dividends are normally paid based on the Trust's cash flow from operating activities. The indicated annual dividend rate was \$.96 as of March 1995.

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Item 6. Selected Financial Data

	1994	1993	1992	1991	
1990	----	----	----	----	-
<S>	<C>	<C>	<C>	<C>	<C>
Real estate revenue \$30,233,388	\$45,511,482	\$39,375,282	\$34,132,217	\$33,311,399	
Income before gain on sale of real estate \$16,121,519	\$23,122,240	\$22,506,219	\$20,429,264	\$18,386,398	
Gain on sale of real estate -	-	\$741,217	-	-	
Net income \$16,121,519	\$23,122,240	\$23,247,436	\$20,429,264	\$18,386,398	
Income before gain on sale of real estate per share \$0.69	\$0.82	\$0.80	\$0.76	\$0.74	
Net income per share \$0.69	\$0.82	\$0.82	\$0.76	\$0.74	
Cash flow from operating activities \$19,118,631	\$29,818,808	\$25,032,160	\$23,730,735	\$21,414,649	
Total assets \$106,955,071	\$178,806,110	\$162,010,652	\$185,673,242	\$135,741,092	
Line of credit payable/Short-term bank loan	\$18,000,000	-	\$21,000,000	-	-
Mortgage payable \$12,379,100	-	-	\$1,115,193	\$11,329,370	
Shareholders' equity \$90,621,253	\$154,659,100	\$157,348,056	\$159,026,525	\$119,944,265	
Cash dividends paid \$17,030,987	\$25,981,388	\$24,380,361	\$22,513,368	\$19,672,408	
Distribution of gain on sale of real estate	-	\$741,217	-	-	-
Cash dividends paid per share \$0.73	\$0.92	\$0.89	\$0.84	\$0.79	

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

WRIT's fundamental emphasis is on the growth of cash flow from operating activities. Dividends to shareholders are based upon these cash flows. WRIT's capital improvements, leasing and management, and acquisitions of additional properties are the major contributors to sustained growth of cash flows.

Occupancy rates have a major impact on rental revenue. Other factors such as new or renewal leases at market rates, CPI based annual rental rate increases, increases in rentable area, new property acquisitions and certain other capital expenditures also influence rental revenue.

The percentage increase (decrease) in real estate rental revenue from 1992 to 1993 and from 1993 to 1994 by property type was as follows:

	1992/1993	1993/1994
<S>	<C>	<C>
Office Buildings	16%	34%
Apartments	2%	4%
Shopping Centers	40%	5%
Business Centers	(1%)	17%

During 1994, WRIT's office building group achieved increases of 34% in revenues and 36% in operating income, mostly due to the acquisitions of the three Heritage office buildings in November 1993 and the two Tycon Plaza office

buildings in June of 1994.

The Tycon office buildings were 71% occupied upon acquisition in June of 1994, 90% occupied at December 31, 1994, and are 92% occupied as of February 28, 1995. The Heritage properties were acquired in November, 1993 and include three office buildings (the Lexington, Saratoga and Brandywine) and one business center (the Charleston). At December 31, 1993, and 1994, the Lexington and Brandywine office buildings were 100% leased and the Saratoga was 97% and 96% leased, respectively.

The income growth from office buildings owned all three years in 1992, 1993 and 1994, was due to increases in rental rates and improved occupancy levels at 7700 Leesburg Pike. This growth was partially offset by a substantial increase in vacancy during 1994 at the 1901 Pennsylvania Avenue property, which lost 3 major tenants resulting in an occupancy level of 52% at year end. The Trust commenced a major capital improvement program at 1901 Pennsylvania Avenue in 1994 in order to assure the expeditious lease-up of this property (refer to Item 2, Office Buildings).

The increase of 16% in real estate rental revenue from 1992 to 1993 for office buildings was primarily attributable to the June and July 1992 acquisitions of Arlington Financial Center and 515 King Street, respectively.

During 1994, WRIT's apartment group showed increases of 4% in revenues and 7% in operating income, due to the combination of a 2% increase in rental rates and an overall increase in occupancy to 97% in 1994 from 95% in 1993, combined with an increase in operating expenses of only 1%.

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RESULTS OF OPERATIONS - (continued)

During 1994, WRIT's shopping center group showed an increase of 5% in revenues and 3% in operating income, due to the acquisition of the Shoppes at Foxchase in June of 1994.

Excluding the Shoppes at Foxchase, shopping center revenue was down 1% and operating income down 4%. Major elements of the decrease in operating income included a 10% increase in overall operating expenses and the vacancy at Jenifer Mall to accommodate renovations. (Refer to Item 2, Shopping Centers.) WRIT has a lease with a national retail discount chain for a majority of the Jenifer Mall vacancy. This lease is scheduled to commence in May, 1995.

The 40% increase in real estate rental revenue from 1992 to 1993 for shopping centers was due primarily to the acquisition of Montgomery Village Shopping Center on December 30, 1992. Operating income increased 37% from 1992 to 1993 as a result of that acquisition as well.

During 1994, WRIT's business center group showed increases of 17% in revenues and 15% in operating income, due to the acquisition of the Charleston business center in November of 1993 and major occupancy increases at the Fullerton and Port Royal properties, only slightly offset by a vacancy increase at the V Street property.

For 1994, excluding the Charleston business center, business center revenue was up 4% and operating income was up 3%. In 1994, rental rates for these business centers declined 1% from 1993, but overall occupancy increased to 94% in 1994 from 89% in 1993.

The 1% decrease in business center real estate rental revenue from 1992 to 1993 was the result of a decline in occupancy levels. Average occupancy in 1992 was 93% and this declined to 89% in 1993.

The average occupancy (for the entire real estate portfolio) of 95% for the year 1993 remained at 95% for 1994. This is compared to 93% for 1992.

Real estate operating expenses as a percentage of revenue was 31% for 1994 as compared to 30% for 1993 and 1992. This increase is primarily attributable to the fact that operating expenses as a percentage of revenues are higher for office building properties than all other property types within the portfolio. WRIT's percentage of office buildings within its portfolio has increased from 38% at December 31, 1993 to 43% of the portfolio as of December 31, 1994. This 13% increase is primarily attributable to the acquisition of Heritage Business Park (three office buildings) in November, 1993 and Tycon II and III office buildings in June, 1994.

Other income declined from 1992 to 1993 due to substantial funds previously invested in marketable securities being utilized for 1993 acquisitions and a reduction in market interest rates earned on WRIT's marketable investment securities.

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RESULTS OF OPERATIONS - (continued)

In 1994, other income (expense) became an expense/charge to operations in 1994 as a result of the following:

- a) A decline in interest income from 1993 to 1994 due to the use of these funds for properties acquired in 1994.
- b) At March 31, 1994, a marketable investment security was written down to its estimated realizable value, resulting in a charge of \$799,571 to operations in the first quarter of 1994. This security was sold in May, 1994 for its March 31, 1994 realizable value.
- c) During 1994, WRIT was audited by a State Unclaimed Property Division resulting in an assessment to WRIT of \$270,521. This amount was charged to operations in the fourth quarter of 1994.

Interest expense was \$614,162 for the year of 1994 as a result of the \$9,000,000 advance on the credit commitment on June 1, 1994 for the acquisitions of Tycon Plaza and an additional advance of \$9,000,000 for the acquisition of The Shoppes of Foxchase on June 30, 1994. (See Note F). Interest expense for 1993 was \$61,462. This declined significantly from interest expense of \$454,382 for 1992. In 1992, WRIT prepaid four of its mortgages, and in April, 1993, WRIT prepaid its only remaining mortgage.

CAPITAL RESOURCES AND LIQUIDITY

WRIT has utilized equity share offerings, long-term fixed interest rate debt, lines of credit and cash flow from operations for its capital needs. The WRIT philosophy has been to acquire real estate with strong growth potential and to improve its real estate holdings through carefully planned additions or improvements to generate higher rental income, to reduce operating expenses or both.

In February 1994, WRIT purchased land adjacent to its Wheaton Park shopping center for a contract purchase price of \$173,000. WRIT plans to add additional retail and parking space to the center. On June 1, 1994 WRIT acquired Tycon Plaza in Vienna, Virginia at a contract purchase price of \$21,250,000. Tycon Plaza consists of two office buildings containing approximately 293,000 rentable square feet. WRIT borrowed \$9,000,000 and invested \$12,800,000 of its own funds for the purchase. On June 30, 1994 WRIT acquired The Shoppes at Foxchase in Alexandria, Virginia at a contract purchase price of \$8,800,000. The center has approximately 128,000 rentable square feet. WRIT borrowed \$9,000,000 for this acquisition.

Cash and marketable investment securities totaled approximately \$2,736,000 at December 31, 1994. In addition to the 1994 acquisitions, 1994 capital improvements were approximately \$5,787,000. Capital improvements to WRIT properties in 1993 and 1992 were approximately \$4,712,000 and \$3,410,000, respectively.

During 1993 and 1992, WRIT paid \$1,088,000 and \$9,715,000, respectively, in the retirement of its last five mortgages.

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CAPITAL RESOURCES AND LIQUIDITY - (continued)

External sources of capital are available to WRIT from its existing unsecured credit commitments as described in Notes F and K to the financial statements and management believes that additional sources of capital are available from selling additional shares and/or the issuance of debt.

Cash flow from operating activities has been more than adequate to meet dividend requirements.

Management believes that it has the liquidity and the capital resources necessary to meet all of its known obligations and to make additional property acquisitions when appropriate. WRIT continues to pursue acquisition opportunities and capital improvement projects to enhance long-term growth.

WRIT is a qualified real estate investment trust (REIT), and is not required to pay income taxes since it distributes substantially all of its real estate trust taxable income to shareholders.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data are listed under Item 14(a) and filed as part of this report on the pages indicated.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Certain information required by Part III is omitted from this Report in that the Registrant will file a definitive proxy statement pursuant to Regulation 14A (the "Proxy Statement") not later than 120 days after the end of the fiscal year covered by this Report, and certain information included therein is incorporated herein by reference. Only those sections of the Proxy Statement

which specifically address the items set forth herein are incorporated by reference. Such incorporation does not include the Performance Graph included in the Proxy Statement.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is hereby incorporated herein by reference to WRIT's 1995 Annual Meeting Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is hereby incorporated by reference to WRIT's 1995 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is hereby incorporated by reference to WRIT's 1995 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is hereby incorporated by reference to WRIT's 1995 Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this Report:

1. Financial Statements: The following Financial Statements of Washington Real Estate Investment Trust and Report of Independent Accountants are included in this Report:

Report of Independent Accountants.

Balance Sheets at December 31, 1994 and 1993.

Statements of Operations for the years ended December 31, 1994, 1993 and 1992.

Statements of Changes in Shareholders' Equity for the years ended December 31, 1994, 1993 and 1992.

Statements of Cash Flows for the years ended December 31, 1994, 1993 and 1992.

Notes to Financial Statements.

2. Financial Statements: The following financial statement schedules of Washington Real Estate Investment Trust for the periods indicated are filed as part of this Report and should be read in conjunction with the Financial Statements of Washington Real Estate Investment Trust.

<TABLE>	
<CAPTION>	
Schedule	Page
-----	----
<S>	<C>
III	Real Estate and Accumulated Depreciation..... 26-27
IV	Mortgage Note Receivable..... 28
	Supplementary Information: Quarterly Financial Results (unaudited)..... 29

</TABLE>

Schedules not listed above have been omitted because they are not applicable or are not required or the information to be set forth therein is included in the Financial Statements or Notes thereto.

3. Exhibits: The exhibits required by Item 601 of Regulation S-K have been filed with previous reports by the registrant and are herein incorporated by reference thereto.

The registrant's proxy statement is to be filed with the Commission on or about April 21, 1995.

- (b) Reports on Form 8-K: Form 8-K was filed on June 30, 1994 with the Securities and Exchange Commission.

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SIGNATURES

Pursuant to the requirements of Section 13 and 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WASHINGTON REAL ESTATE INVESTMENT TRUST

By / s / Edmund B. Cronin, Jr.

Date: March 30, 1995

Edmund B. Cronin, Jr.
President and Chief Executive Officer

Pursuant to the requirements of the Security and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<TABLE> <CAPTION> Signature -----	Title -----	Date -----
<S> / s / Arthur A. Birney ----- Arthur A. Birney	<C> Chairman and Trustee	<C> March 30, 1995
/ s / William N. Cafritz ----- William N. Cafritz	Trustee	March 30, 1995
/ s / Benjamin H. Dorsey -----	Secretary, General Counsel and, Trustee	March 30, 1995
/ s / David M. Osnos ----- David M. Osnos	Trustee, Retired Chairman and Chief Executive Officer	March 30, 1995
/ s / Stanley P. Snyder ----- Stanley P. Snyder	Trustee	March 30, 1995
/ s / Larry E. Finger ----- Larry E. Finger	Vice President, Finance and Chief Financial Officer	March 30, 1995
/ s / B. Franklin Kahn ----- B. Franklin Kahn	Trustee	March 30, 1995
/ s / Laura M. Franklin ----- Laura M. Franklin	Assistant Vice President, Finance	March 30, 1995

</TABLE>

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Report of Independent Accountants

To the Trustees and Shareholders of
Washington Real Estate Investment Trust

In our opinion, the financial statements listed in the index appearing under item 14(a)(1) and (2) on page 14 present fairly, in all material respects, the financial position of Washington Real Estate Investment Trust at December 31, 1994 and 1993, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

WASHINGTON REAL ESTATE INVESTMENT TRUST
BALANCE SHEETS

<TABLE>
<CAPTION>

	December 31, 1994	December 31, 1993
	----- <C>	----- <C>
Assets		
Real estate at cost	\$206,377,733	\$170,461,454
Accumulated depreciation	(36,588,540)	(33,255,332)
	-----	-----
Mortgage note receivable	169,789,193 800,000	137,206,122 800,000
	-----	-----
Total investment in real estate	170,589,193	138,006,122
Cash and cash equivalents	1,301,393	1,759,471
Marketable investment securities	1,434,790	16,284,832
Rents and other receivables, net of allowance for doubtful accounts of \$650,356 and \$307,699, respectively	2,207,069	2,473,024
Prepaid expenses and other assets	3,273,665	3,487,203
	-----	-----
	\$178,806,110	\$162,010,652
	=====	=====
Liabilities		
Accounts payable and other liabilities	\$2,975,691	\$1,696,986
Tenant security deposits	1,517,762	1,318,464
Advance rents	1,653,557	1,647,146
Line of credit payable	18,000,000	-
	-----	-----
	24,147,010	4,662,596
	-----	-----
Shareholders' Equity		
Shares of beneficial interest, unlimited authorization, without par value	139,340,435	142,029,391
Undistributed gains on real estate dispositions	15,318,665	15,318,665
	-----	-----
	154,659,100	157,348,056
	-----	-----
	\$178,806,110	\$162,010,652
	=====	=====

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST
STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Year Ended December 31,		
	1994	1993	1992
	----- <C>	----- <C>	----- <C>
Real estate rental revenue	\$45,511,482	\$39,375,282	\$34,132,217
Real estate expenses	(14,030,844)	(11,829,702)	(10,330,285)
	-----	-----	-----
Depreciation	31,480,638 (3,978,301)	27,545,580 (3,655,802)	23,801,932 (3,421,612)
	-----	-----	-----
Income from real estate	27,502,337	23,889,778	20,380,320

Other income (expense)	(550,276)	1,496,326	3,310,863
Interest expense	(614,162)	(61,462)	(454,382)
General and administrative	(3,215,659)	(2,818,423)	(2,807,537)
	-----	-----	-----
Income before gain on sale of real estate	23,122,240	22,506,219	20,429,264
Gain on sale of real estate	-	741,217	---
	-----	-----	-----
Net income	\$23,122,240	\$23,247,436	\$20,429,264
	=====	=====	=====
Income before gain on sale of real estate per share	\$0.82	\$0.80	\$0.76
	=====	=====	=====
Net income per share	\$0.82	\$0.82	\$0.76
	=====	=====	=====

</TABLE>

See accompanying notes to financial statements

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WASHINGTON REAL ESTATE INVESTMENT TRUST
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

	Shares of Beneficial Interest	Amount	Undistributed Gains on Real Estate Dispositions
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance, December 31, 1991	17,062,768	\$104,625,600	\$15,318,665
Net income		20,429,264	
Dividends		(22,513,368)	
Net proceeds from sale of shares	2,497,000	39,890,863	
Shares issued for 3-for-2 share split	8,530,282	(40,554)	
Share options exercised	121,337	1,316,055	
	-----	-----	-----
Balance, December 31, 1992	28,211,387	143,707,860	15,318,665
Net income		22,506,219	
Gain on sale of real estate			741,217
Dividends		(24,380,361)	(741,217)
Share options exercised	16,218	195,673	
	-----	-----	-----
Balance, December 31, 1993	28,227,605	142,029,391	15,318,665
Net income		23,122,240	
Dividends		(25,981,388)	
Share options exercised	14,939	170,192	
	-----	-----	-----
Balance, December 31, 1994	28,242,544	\$139,340,435	\$15,318,665
	=====	=====	=====

</TABLE>

See accompanying notes to financial statements

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WASHINGTON REAL ESTATE INVESTMENT TRUST
STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year Ended December 31,		
	1994	1993	1992
	-----	-----	-----
<S>	<C>	<C>	<C>
Cash Flow From Operating Activities			
Net income	\$23,122,240	\$23,247,436	\$20,429,264

Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	3,978,301	3,655,802	3,421,612
Changes in other assets and liabilities	1,918,696	(1,129,861)	(120,141)
Gain on sale of property	-	(741,217)	-
Loss on sale of marketable investment securities	799,571	-	-
Cash flow from operating activities	29,818,808	25,032,160	23,730,735
Cash Flow From Investing Activities			
Improvements to real estate	(5,786,977)	(4,711,662)	(3,410,263)
Real estate acquisitions	(30,729,184)	(11,049,907)	(35,056,567)
Purchases of marketable investment securities	(34,995,496)	(15,524,945)	(92,906,567)
Maturities and sales of marketable investment securities	49,045,967	53,000,435	76,960,642
Proceeds from the sale of real property	-	176,000	-
Payments received on mortgage note receivable for sale of property	-	74,000	-
Net cash (used in) provided by investing activities	(22,465,690)	21,963,921	(54,412,755)
Cash Flow From Financing Activities			
Dividends paid	(25,981,388)	(24,380,361)	(22,513,368)
Distribution of gain on sale of real estate	-	(741,217)	-
Short-term bank loan	-	-	21,000,000
Repayment of short-term bank loan	-	(21,000,000)	-
Mortgage principal payments	-	(27,269)	(499,030)
Mortgage principal retirements	-	(1,087,924)	(9,715,147)
Borrowings - Line of credit	18,000,000	-	-
Net proceeds from sale of shares	-	-	39,890,863
Other changes in shareholders' equity, net	170,192	195,673	1,275,501
Net cash flow (used in) provided by financing activities	(7,811,196)	(47,041,098)	29,438,819
Net (decrease) in cash and cash equivalents	(458,078)	(45,017)	(1,243,201)
Cash and cash equivalents at beginning of year	1,759,471	1,804,488	3,047,689
Cash and cash equivalents at end of year	\$1,301,393	\$1,759,471	\$1,804,488
Supplemental disclosure of cash flow information			
Cash paid during the year for interest	\$ 514,811	\$ 61,462	\$ 454,382

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS

NOTE A: ACCOUNTING POLICIES

Washington Real Estate Investment Trust (WRIT) operates in a manner intended to enable it to qualify as a real estate investment trust under the Internal Revenue Code (the "Code"). According to the Code, a trust which distributes at least 95% of its real estate trust taxable income to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income which is distributed to its shareholders. Accordingly, no provision for Federal income taxes is required.

Cash equivalents consist of investments readily convertible to known amounts of cash generally with original maturities of 90 days or less.

Residential properties are leased under operating leases with terms of generally one year or less, and commercial properties are leased under operating leases with terms of generally three to five years. WRIT recognizes rental income from its residential and commercial leases when earned, which is not materially different than revenue recognition on a straight line basis.

Buildings and improvements are depreciated on a straight-line basis over estimated useful lives not exceeding 50 and 30 years, respectively. Depreciation expense for Federal income tax purposes differs from that reported for financial statement purposes due to the use of different lives and depreciation methods. As of December 31, 1994 the net assets as reported in WRIT's financial statements exceeded the net basis for Federal Income Tax purposes by 14,571,577 due to a lower basis of certain real estate assets acquired by tax free exchanges.

Cash equivalents, marketable investment securities, mortgage note receivable, rents and other receivables, prepaid expenses and other assets, accounts payable and other liabilities, tenant security deposits, advance rents and line of credit payable are carried at amounts which reasonably approximate their fair values.

Disclosure about fair value of financial instruments are based on pertinent information available to WRIT as of December 31, 1994. Although WRIT is not aware of any factors that would significantly affect the reasonable fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value

may differ significantly from the carrying amounts.

NOTE B: MARKETABLE INVESTMENT SECURITIES

Marketable investment securities are considered available for sale and at December 31, 1994 and 1993, the carrying value approximates market. Marketable investment securities, including accrued interest, consist of the following:

<TABLE>
<CAPTION>

	December 31,	
	1994	1993
<S>	-----	-----
U.S. Government and U.S. Government agency obligations	\$ 1,384,790	\$ 14,138,327
Federally insured certificates of deposit	50,000	50,000
Corporate notes and other	-	2,096,505
	-----	-----
	\$ 1,434,790	\$ 16,284,832
	=====	=====

</TABLE>

At December 31, 1994, one hundred percent (100%) of the portfolio matures in less than one year.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS

NOTE C: REAL ESTATE INVESTMENTS

WRIT's real estate investment portfolio, at cost, consists of properties located in Maryland, Washington, D.C., Virginia and Delaware as follows:

<TABLE>
<CAPTION>

	December 31,	
	1994	1993
<S>	-----	-----
Office buildings	\$ 88,968,658	\$ 64,853,787
Apartment buildings	26,369,011	25,165,713
Shopping centers	65,921,524	55,634,752
Business centers	25,118,540	24,807,202
	-----	-----
	\$206,377,733	\$170,461,454
	=====	=====

</TABLE>

On June 1, 1994, WRIT acquired Tycon Plaza, two office buildings with approximately 293,000 square feet in Vienna, Virginia, at a contract purchase price of \$21,250,000. On June 30, 1994 WRIT acquired The Shoppes of Foxchase, a shopping center located in Alexandria, Virginia at a contract purchase price of \$8,800,000. The center has approximately 128,000 rentable square feet. In June 1993, WRIT sold its headquarters building for \$1,050,000 and recognized a gain of \$741,217. Proceeds received were \$176,000 in cash and \$874,000 in a mortgage note receivable. The mortgage bears interest at 9% and matures in June 1996. Principal payments received in 1993 totaled \$74,000. Interest only is payable monthly from December 1993 until June, 1996. At that time, all accrued and unpaid interest and principal are due in full. At December 31, 1994, the fair value of the mortgage note receivable approximates its carrying amount.

NOTE D: MORTGAGES

During 1993, WRIT paid in full its only remaining mortgage, which had a principal balance of \$1,115,193 at December 31, 1992. The mortgage had an interest rate of 8.5%. Interest paid on mortgages during the years ended December 31, 1993 and 1992 was \$61,462 and \$454,382, respectively.

NOTE E: SHORT - TERM BANK LOAN

WRIT borrowed \$21,000,000 for the purchase of Montgomery Village Shopping Center on December 29, 1992. The loan was repaid on January 22, 1993 from the proceeds of the sale of certain marketable investment securities which had served collateral for the loan. The interest income and realized gain from the sale of the marketable investment securities exceeded the 4.6% fixed interest paid to the bank for the 25 days the loan was outstanding.

NOTE F: LINE OF CREDIT PAYABLE

On June 1, 1994, WRIT obtained an unsecured interim credit commitment from a bank in the amount of \$20,000,000 for the express purpose of purchasing income producing property. On June 1, 1994, WRIT borrowed \$9,000,000 on this credit facility for the acquisition of Tycon Plaza and on June 30, 1994, WRIT borrowed an additional \$9,000,000 for the purchase of The Shoppes of Foxchase. Interest only was payable monthly on the unpaid principal balance at the rate of LIBOR plus 1.10%. At June 30, 1994 this rate was approximately 5.7%. On August 26, 1994, the \$20,000,000 interim credit commitment was replaced with an unsecured credit commitment of \$25,000,000 and the outstanding advances of \$18,000,000 were transferred to this new commitment. Borrowings of \$18,000,000 as of December 31, 1994 bear interest at the rate of 6.3125% until May 25, 1995. Interest only is payable monthly, in arrears, on the unpaid principal balance.

All unpaid interest and principal are due August 25, 1995 and can be prepaid prior to this date without any pre-payment fee. Any new advances shall bear interest at LIBOR plus a spread based on WRIT's interest coverage ratio.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS

NOTE F: LINE OF CREDIT PAYABLE - (continued)

This credit agreement provides the option to WRIT to convert any advances or portions thereof into a term loan at any time after February 26, 1995 and prior to August 25, 1995. The principal amount of each term loan, if any, shall be repaid on August 26, 1998. Such term loan(s) may be prepaid subject to a prepayment fee.

The \$25,000,000 credit commitment, requires WRIT to pay the lender an unused commitment fee at the rate of 0.25% per annum, on the amount by which \$25,000,000 exceeds the balance of outstanding advances and term loans. This fee is payable monthly beginning September, 1994 until August 25, 1995. This commitment also contains certain covenants which WRIT is required to meet periodically.

NOTE G: SHARES OF BENEFICIAL INTEREST AND DIVIDENDS

Net income per share is calculated by dividing net income by the weighted average number of shares outstanding during the year. The weighted average shares outstanding were 28,239,420, 28,223,307 and 26,910,046 in 1994, 1993 and 1992, respectively.

The following is a breakdown of the taxable percentage of WRIT's dividends for 1994, 1993 and 1992, respectively:

	Ordinary Income	Capital Gain	Return of Capital
	-----	-----	-----
<S>	<C>	<C>	<C>
1994	90.54%	--	9.46%
1993	95.80%	2.60%	1.60%
1992	98.00%	2.00%	--

NOTE H: SHARE OPTIONS

WRIT maintains an Incentive Share Option Plan under which up to 1,348,829 shares may be awarded to eligible employees. Options, which are issued at market price on the date of grant, vest after not more than two years and expire ten years following the date of grant. Activity under the plan is summarized below:

	Number of Shares	Option Price	Options Exercisable
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance,			
December 31, 1991	262,006	\$ 7.07 - \$15.21	154,974
Granted	23,788	18.62	
Exercised	(91,337)	7.07 - 15.21	
Canceled	(1,315)	15.21	

Balance,			
December 31, 1992	193,142	7.07 - 18.62	101,986
Exercised	(16,218)	7.07 - 15.21	

Balance,			
December 31, 1993	176,924	7.07 - 18.62	119,394
Granted	57,798	15.1875- 20.625	
Exercised	(14,939)	7.07 - 15.21	
Canceled	(23,642)	12.79 - 20.625	

Balance,			
December 31, 1994	196,141	\$ 8.09 - \$20.625	100,868

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS

NOTE H: SHARE OPTIONS - (continued)

On June 27, 1990, the then President/Chairman of the Trustees was granted non-qualified share options for 150,000 shares at \$11.71, the per share market

price on that day. These options are exercisable 20% at date of grant and 20% upon each anniversary over a four year period. Share options of 60,000 in 1991 and 30,000 in 1992 were exercised leaving 60,000 remaining to be exercised at December 31, 1994.

On December 14, 1994, the President/Chief Operating Officer of WRIT was granted non-qualified share options for 9,091 shares at the June 1, 1994 market price of \$19.25. These shares are exercisable 50% after the first anniversary date of December 14, 1995 and 50% exercisable after the second anniversary date of December 14, 1996.

NOTE I: PENSION PLAN

WRIT maintains a noncontributory defined benefit pension plan for all eligible employees. Benefits under the plan are generally based on years of service and final average pay. The pension assets include U.S. Government Agency obligations, U.S. Treasury money market fund and interest-bearing certificates of deposit. Pension costs are accrued and funded annually from entry date in the plan to projected retirement date and include service costs for benefits earned during the period and interest costs on the projected benefit obligation less the return on plan assets. Pension costs were \$90,000, \$164,000 and \$293,000 in 1994, 1993 and 1992, respectively. The actual return (loss) on plan assets was \$27,000, \$(31,000) and \$19,000 for 1994, 1993 and 1992 respectively. The assumed long-term rate of return is 8.00%. Plan obligations in excess of amounts permitted under the Tax Equity and Fiscal Responsibility Act of 1982 are accrued as a liability of WRIT and included in total pension cost. The funded status of the plan is:

<TABLE>
<CAPTION>

	December 31,	
	1994	1993
	-----	-----
<S>	<C>	<C>
Actuarial present value of benefit obligations:		
Vested benefit obligation	\$3,269,000	\$3,295,000
Accumulated benefit obligation	3,271,000	3,299,000
Projected benefit obligation	3,364,000	3,440,000
Plan assets at market value	3,281,000	3,235,000

</TABLE>

The liabilities are calculated using an assumed rate of compensation increase of 5.00% and an assumed discount rate of 8.00% for December 31, 1994 and 1993.

NOTE J: RENTALS UNDER OPERATING LEASES

Noncancelable commercial operating leases provide for minimum rental income during each of the next five years of approximately \$26,555,361, \$20,784,277, \$15,003,482, \$10,222,438, \$7,790,060 and \$13,832,568 thereafter. Apartment leases are not included as they are generally for one year. Many of these commercial rentals increase in future years based on changes in the Consumer Price Index. Contingent rentals from the shopping centers, based on a percentage of tenants' gross sales, were \$428,000, \$447,000 and \$480,000 in 1994, 1993 and 1992 respectively.

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WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS

NOTE K: SUBSEQUENT EVENTS

On January 26, 1995, WRIT acquired an office building, 6110 Executive Boulevard, with 200,000 net rentable square feet of office plus a three-story parking deck in Rockville, Maryland, for a contract purchase price of \$16,380,000. WRIT borrowed \$16,000,000 on a short-term bank loan from a bank at the bank's then prime-rate of 8.50%. This loan matures 45 days from January 25, 1995 and is to be replaced by an unsecured line of credit from the same bank at an anticipated lower rate of interest.

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WASHINGTON REAL ESTATE INVESTMENT TRUST SCHEDULE III
SUMMARY OF REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

<TABLE>
<CAPTION>

carried at		Gross Amounts at which			
	Initial Cost (b)	Net	December 31, 1994		
	-----	Improvements	-----		
		(Retirements)			
Buildings	Building				
	and	since			and
Properties	Location	Acquisition	Land	Land	
Improvements	Land	Improvements			

<S>	<C>	<C>	<C>	<C>	<C>	<C>
SHOPPING CENTERS						
Concord Centre \$3,453,741	Virginia	\$412,500	\$850,038	\$2,603,703		\$412,500
Bradlee 8,829,409	Virginia	4,151,583	5,428,251	3,401,158		4,151,583
Clairmont 1,521,558	Maryland	154,739	891,608	629,950		154,739
Dover Mart 1,120,946	Delaware	243,500	463,858	657,088		243,500
Jenifer One 5,158,512	Washington, D.C.	1,549,262	4,304,434	854,078		1,549,262
Prince William Plaza 1,157,384	Virginia	171,482	820,465	336,919		171,482
Takoma Park 1,085,656	Maryland	415,200	1,084,453	1,203		415,200
Westminster 3,530,386	Maryland	552,745	1,889,032	1,641,354		552,745
Wheaton Park 1,545,606	Maryland	622,908	856,683	688,923		622,908
Montgomery Village 9,551,094	Maryland	11,624,500	9,105,262	445,832		11,624,500
Foxchase 3,230,675	Virginia	5,838,138	2,979,469	251,206		5,838,138
		-----	-----	-----		-----
		25,736,557	28,673,553	11,511,414		25,736,557
		-----	-----	-----		-----
40,184,967						
OFFICE BUILDINGS						
Writ Building 4,579,358	Maryland	222,000	1,690,497	2,888,861		222,000
1901 Pennsylvania Ave. 6,447,035	Washington, D.C.	891,600	3,481,239	2,965,796		891,600
One Metro Square 15,998,912	Maryland	840,000	10,868,917	5,129,995		840,000
444 N. Frederick Ave. 4,994,113	Maryland	812,901	3,817,459	1,176,654		812,901
7700 Leesburg Pike 6,082,395	Virginia	3,669,464	4,000,406	2,081,989		3,669,464
Arlington Financial 3,428,757	Virginia	3,000,000	3,293,122	135,635		3,000,000
515 King Street 4,526,615	Virginia	4,102,276	3,931,408	595,207		4,102,276
Lexington Office Bldg. 1,355,282	Maryland	1,179,700	1,262,472	92,810		1,179,700
Saratoga Office Bldg. 1,858,451	Maryland	1,464,140	1,554,284	304,167		1,464,140
Brandywine Center 832,621	Maryland	718,180	735,381	97,240		718,180
Tycon II 7,422,877	Virginia	3,261,965	7,242,691	180,186		3,261,965
Tycon III 8,025,346	Virginia	3,254,670	7,794,189	231,157		3,254,670
		-----	-----	-----		-----
		23,416,896	49,672,065	15,879,697		23,416,896
		-----	-----	-----		-----
65,551,762						
APARTMENT BUILDINGS						
Country Club Towers 4,786,223	Virginia	299,389	2,561,473	2,224,750		299,389
Munson Hill Towers 6,750,635	Virginia	(a)	3,337,038	3,413,597		(a)
Park Adams 3,927,351	Virginia	286,588	1,653,833	2,273,518		286,588
Roosevelt Towers 3,506,556	Virginia	335,831	1,996,340	1,510,216		335,831
Wiltshire North 6,056,955	Washington, D.C.	419,483	2,678,440	3,378,515		419,483
		-----	-----	-----		-----
		1,341,291	12,227,124	12,800,596		1,341,291
		-----	-----	-----		-----
25,027,720						
BUSINESS CENTERS						
Pepsi-Cola 3,302,687	Maryland	759,927	1,791,754	1,510,933		759,927
Capitol Freeway 3,817,966	Washington, D.C.	300,000	1,204,748	2,613,218		300,000
Dept. of Commerce 2,257,233	Virginia	346,817	1,008,864	1,248,369		346,817
Fullerton 3,922,184	Virginia	950,000	3,317,305	604,879		950,000
Sharp Electronics 1,395,921	Virginia	391,490	1,059,291	336,630		391,490
Shirley-395	Virginia	652,474	1,264,695	935,777		652,474

2,200,472	Washington, D.C.	125,500	317,019	132,983	125,500
V Street					
450,002					
Charleston	Maryland	2,044,930	2,090,821	110,116	2,044,930
2,200,937					
-----		-----	-----	-----	-----
-----		5,571,138	12,054,497	7,492,905	5,571,138
19,547,402		-----	-----	-----	-----
-----		-----	-----	-----	-----
Totals		\$56,065,882	\$102,627,239	\$47,684,612	\$56,065,882
\$150,311,851		=====	=====	=====	=====

</TABLE>

<TABLE>
<CAPTION>

Depreciation Properties (c)	Gross Amounts at which carried at December 31, 1994 ----- Total (d)	Accumulated Depreciation at December 31, 1994	Year of Construction	Date of Acquisition	Net Rentable Square Feet (f)	Life
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SHOPPING CENTERS						
Concord Centre	\$3,866,241	\$839,476	1960	December 1973	76,383	33 Years
Bradlee	12,980,992	2,450,123	1955	December 1984	167,974	40 Years
Clairmont	1,676,297	581,326	1965	December 1976	40,455	39 Years
Dover Mart	1,364,446	368,463	1960	January 1973	44,044	40 Years
Jenifer One	6,707,774	846,798	1975	September 1985	39,304	50 Years
Prince William Plaza	1,328,866	545,386	1967	August 1968	53,999	50 Years
Takoma Park	1,500,856	712,157	1962	July 1963	58,811	50 Years
Westminster	4,083,131	1,613,031	1969	September 1972	171,531	37 Years
Wheaton Park	2,168,514	374,488	1967	September 1977	46,716	49 Years
Montgomery Village	21,175,594	369,991	1969	December 1992	196,464	50 Years
Foxchase	9,068,813	37,659	1960	June 1994	127,564	50 Years
	-----	-----			-----	
	65,921,524	8,738,898			1,023,245	
	-----	-----			-----	
OFFICE BUILDINGS						
Writ Building	4,801,358	1,165,501	1965	August 1979	65,885	31 Years
1901 Pennsylvania Ave.	7,338,635	2,677,851	1960	May 1977	96,506	28 Years
One Metro Square	16,838,912	4,977,099	1975	August 1979	208,243	41 Years
444 N. Frederick Ave.	5,807,014	372,282	1981	October 1989	65,809	50 Years
7700 Leesburg Pike	9,751,859	311,872	1976	October 1990	122,257	50 Years
Arlington Financial	6,428,757	170,044	1963	June 1992	51,655	50 Years
515 King Street	8,628,891	188,061	1966	July 1992	78,073	50 Years
Lexington Office Bldg.	2,534,982	21,502	1970	November 1993	47,751	50 Years
Saratoga Office Bldg.	3,322,591	22,067	1977	November 1993	59,014	50 Years
Brandywine Center	1,550,801	15,520	1969	November 1993	34,982	50 Years
Tycon II	10,684,842	86,702	1981	June 1994	141,043	50 Years
Tycon III	11,280,016	93,459	1978	June 1994	151,670	50 Years
	-----	-----			-----	
	88,968,658	10,101,960			1,122,888	
	-----	-----			-----	
APARTMENT BUILDINGS						
Country Club Towers	5,085,612	2,284,099	1965	July 1969	276,000	35 Years
Munson Hill Towers	6,750,635	3,171,524	1963	January 1970	340,000	33 Years
Park Adams	4,213,939	1,709,657	1959	January 1969	210,000	35 Years
Roosevelt Towers	3,842,387	1,743,526	1964	May 1965	229,000	40 Years
Wiltshire North	6,476,438	3,439,617	1951	January 1963	242,000	30 Years
	-----	-----			-----	
	26,369,011	12,348,423			1,297,000	
	-----	-----			-----	
BUSINESS CENTERS						
Pepsi-Cola	4,062,614	416,761	1971	October 1987	68,750	40 Years
Capitol Freeway	4,117,966	1,342,909	1940	July 1974	145,000	25 Years
Dept. of Commerce	2,604,050	1,335,973	1964	December 1971	105,000	43 Years
Fullerton	4,872,184	693,776	1980	September 1985	103,339	50 Years
Sharp Electronics	1,787,411	227,642	1965	December 1986	29,000	40 Years
Shirley-395	2,852,946	1,142,223	1960	September 1961	112,585	40 Years
V Street	575,502	191,853	1960	October 1973	30,753	40 Years
Charleston	4,245,867	48,122	1973	Novemeber 1993	85,267	50 Years
	-----	-----			-----	
	25,118,540	5,399,260			679,694	
	-----	-----			-----	
Totals	\$206,377,733	\$36,588,540			4,122,827	
	=====	=====			=====	

</TABLE>

Notes:

(a) The site of Munson Hill Towers is rented under a lease requiring annual payments of \$22,590 until the expiration of the lease in 2060.

- (b) The purchase of real estate investments has been divided between land and buildings and improvements on the basis of valuations by the Trust.
- (c) The useful life shown is for the main structure. Building improvements are depreciated over various useful lives ranging from 3 to 50 years.
- (d) At December 31, 1994 total land, buildings and improvements are carried at \$191,806,156 for federal income tax purposes.
- (e) At December 31, 1994, there were no encumbrances on any of the properties.
- (f) Residential properties are presented in gross square feet.

WASHINGTON REAL ESTATE INVESTMENT TRUST SCHEDULE III
SUMMARY OF REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION
Continued

The following is a reconciliation of real estate assets and accumulated depreciation for the years ended December 31, 1994, 1993, and 1992:

<TABLE>
<CAPTION>

	Year Ended December 31,		
	1994	1993	1992
	-----	-----	-----
<S> REAL ESTATE ASSETS	<C>	<C>	<C>
Balance, beginning of period	\$170,461,454	\$155,765,010	\$117,575,741
Additions - property acquisitions	30,729,184	11,049,907	35,056,567
- improvements	5,786,977	4,711,662	3,410,263
Deductions - write-off of fully depreciated assets	(599,882)	(410,783)	(277,561)
- sale of 4936 Fairmont	-	(654,342)	-
	-----	-----	-----
Balance, end of period	\$206,377,733	\$170,461,454	\$155,765,010
	=====	=====	=====
ACCUMULATED DEPRECIATION			
Balance, beginning of period	\$33,255,332	\$30,460,618	\$27,358,995
Additions - depreciation (a)	3,933,090	3,616,190	3,379,184
Deductions - write-off of fully depreciated assets	(599,882)	(410,783)	(277,561)
- sale of 4936 Fairmont	-	(410,693)	-
	-----	-----	-----
Balance, end of period	\$36,588,540	\$33,255,332	\$30,460,618
	=====	=====	=====

</TABLE>

(a) Total depreciation charged to income in 1994, 1993, and 1992, respectively, consists of the following:

<TABLE>
<CAPTION>

	1994	1993	1992
	-----	-----	-----
<S>	<C>	<C>	<C>
Depreciation on real estate investments	\$3,933,090	\$3,616,190	\$3,379,184
Depreciation on office furniture, fixtures and equipment	45,211	39,612	42,428
	-----	-----	-----
	\$3,978,301	\$3,655,802	\$3,421,612
	=====	=====	=====

</TABLE>

<TABLE>

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Description	Interest Rate	Final Maturity Date	Periodic Payment Terms	Prior Liens	Face Amount of Mortgages	Carrying Amount of Mortgages (2)
Mortgage note receivable dated June 28, 1993, secured by a first lien deed of trust and security agreement	9.00%	June 28, 1996	Interest only from July 1, 1993 until Dec. 28, 1993. On Dec. 28, 1993, principal payment of \$70,000 due. Interest only from Dec. 28, 1993 until final maturity date of June 28, 1996 at which time all accrued and unpaid interest and principal are due in full.	N/A	\$874,000	\$800,000 (1)

<TABLE>
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Description	Principal Amount of Mortgage subject to delinquent principal or interest
Mortgage note receivable dated June 28, 1993, secured by a first lien deed of trust and security agreement	None

(1) Reconciliation of Carrying Amount:

Face amount July 1, 1993	\$874,000
Principal payment Dec. 28, 1993	(74,000)
Carrying amount at Dec. 31, 1994 and 1993	\$800,000

(2) Aggregate cost is equal to cost for Federal income tax purposes.

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SUPPLEMENTARY INFORMATION:
QUARTERLY FINANCIAL RESULTS (Unaudited)

<TABLE>
<CAPTION>

	Quarter				
	1994	First	Second	Third	Fourth
Real estate rental revenue	\$11,312,489	\$10,758,614	\$11,759,339	\$11,681,040	
Net income from operations	5,805,007	5,827,737	5,846,949	5,642,547	
Net income from operations per share	\$0.21	\$0.21	\$0.21	\$0.20	
1993					
Real estate rental revenue	\$9,758,105	\$9,713,873	\$9,904,958	\$9,998,346	
Net income from operations	5,770,868	5,580,892	5,535,365	5,619,095	
Net income from operations per share	\$0.20	\$0.20	\$0.20	\$0.20	
1992					
Real estate rental revenue	\$8,478,402	\$8,186,741	\$8,866,761	\$8,600,313	
Net income from operations	4,901,906	4,766,036	5,522,894	5,238,428	
Net income from operations per share	\$0.19	\$0.19	\$0.20	\$0.19	

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