

PROSPECTUS SUPPLEMENT  
 (TO PROSPECTUS DATED JULY 29, 1996)

[WRIT LOGO]

WASHINGTON REAL ESTATE INVESTMENT TRUST  
 \$50,000,000 7 1/8% SENIOR NOTES DUE AUGUST 13, 2003  
 \$50,000,000 7 1/4% SENIOR NOTES DUE AUGUST 13, 2006

The 7 1/8% Senior Notes due August 13, 2003 (the "2003 Notes") and the 7 1/4% Senior Notes due August 13, 2006 (the "2006 Notes," and together with the 2003 Notes, the "Notes") offered hereby (the "Offering") are being issued by Washington Real Estate Investment Trust, an equity real estate investment trust ("WRIT" or the "Trust"). Interest on the Notes will be payable semi-annually in arrears on each February 13 and August 13, commencing February 13, 1997. The 2003 Notes and the 2006 Notes will mature on August 13, 2003 and August 13, 2006, respectively, and are redeemable at any time at the option of the Trust, in whole or in part, at a redemption price equal to the sum of (i) the principal amount of the Notes being redeemed plus accrued interest to the redemption date and (ii) the Make-Whole Amount (as defined in "Description of the Notes -- Optional Redemption"), if any. The Notes are not subject to any mandatory sinking fund. See "Description of the Notes."

Each series of Notes will be represented by a single fully-registered note in book-entry form (each, a "Global Security") registered in the name of a nominee of The Depository Trust Company ("DTC"). Beneficial interests in the Global Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC (with respect to beneficial interests of participants) or by participants or persons that hold interests through participants (with respect to beneficial interests of beneficial owners). Owners of beneficial interests in the Global Securities will be entitled to physical delivery of Notes in certificated form equal in principal amount to their respective beneficial interests only under the limited circumstances described under "Description of the Notes -- Book-Entry System." Settlement for the Notes will be made in immediately available funds. The Notes will trade in DTC's Same-Day Funds Settlement System until maturity or earlier redemption, as the case may be, or until the Notes are issued in certificated form, and secondary market trading activity in the Notes will therefore settle in immediately available funds. All payments of principal and interest in respect of the Notes will be made by the Trust in immediately available funds. See "Description of the Notes -- Same-Day Settlement and Payment."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

<TABLE>  
 <CAPTION>

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (2)	PROCEEDS TO TRUST (1) (3)
Per 2003 Note.....	99.107%	.675%	98.432%
Per 2006 Note.....	98.166%	.7%	97.466%
Total.....	\$98,636,500	\$687,500	\$97,949,000

</TABLE>

- (1) Plus accrued interest, if any, from August 13, 1996.
- (2) The Trust has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (3) Before deducting estimated expenses of \$225,000 payable by the Trust.

The Notes are offered by the Underwriters, subject to prior sale, when, as

and if issued by the Trust and delivered to and accepted by the Underwriters, subject to approval of certain legal matters by counsel for the Underwriters and subject to certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the Notes offered hereby will be made in book-entry form through the facilities of DTC in New York, New York on or about August 13, 1996.

MERRILL LYNCH & CO.

ALEX. BROWN & SONS  
INCORPORATED

The date of this Prospectus Supplement is August 8, 1996.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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#### PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus Supplement and the accompanying Prospectus or incorporated herein and therein by reference. Unless the context indicates otherwise, the term "Trust" as used herein and in the accompanying Prospectus includes the Trust and its subsidiary.

#### THE TRUST

Washington Real Estate Investment Trust ("WRIT" or the "Trust"), founded in 1960, is an equity real estate investment trust investing in income-producing properties throughout the greater Washington-Baltimore region. The Trust owns a diversified portfolio of 44 properties consisting of 16 office buildings, 12 shopping centers, 6 high-rise apartment buildings and 10 industrial distribution centers. The Trust has a fundamental strategy of regional focus, diversified property type ownership and conservative financial management.

WRIT's principal objective is to increase operating income by investing in high quality real estate with strong growth potential in prime locations and aggressively managing these properties with active leasing and capital improvement programs. The percentage leased at June 30, 1996 for the Trust's properties was 93% for office buildings, 89% for shopping centers, 95% for apartment buildings and 98% for industrial distribution centers. Total debt (all medium term) on June 30, 1996 was \$74,600,000, which represented approximately 14% of the total market capitalization of the Trust.

#### THE OFFERING

All capitalized terms not defined herein have the meanings specified in "Description of the Notes." For a more complete description of the terms of the Notes specified in the following summary, see "Description of the Notes" herein and "Description of Securities" in the Prospectus.

Securities Offered.....	\$50,000,000 aggregate principal amount of 7 1/8% Senior Notes due August 13, 2003 (the "2003 Notes") and \$50,000,000 aggregate principal amount of 7 1/4% Senior Notes due August 13, 2006 (the "2006 Notes").
Maturity.....	The 2003 Notes will mature on August 13, 2003 and the 2006 Notes will mature on August 13, 2006.
Interest Payment Dates.....	Interest on the Notes is payable semi-annually on each February 13 and August 13, commencing February 13, 1997, and at maturity.
Ranking.....	The Notes will be direct obligations of the Trust and will rank equally with each other and with all other unsecured and unsubordinated indebtedness of the Trust.
Use of Proceeds.....	To repay borrowings outstanding under the Trust's unsecured lines of credit and to fund the acquisition and/or renovation, expansion or improvement of income-producing properties.
Limitations on Incurrence of Debt.....	The Notes contain various covenants, including the following:  (1) The Trust will not, and will not permit any Subsidiary to, incur any Debt if, immediately

after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Trust and its Subsidiaries on a consolidated basis is greater than 60% of the sum of: (i) the Trust's Total Assets as of the end of the most recent calendar quarter prior to the

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incurrence of such additional Debt and (ii) any increase in the Trust's Total Assets since the end of such quarter, including any increase in Total Assets resulting from the incurrence of such additional Debt (such increase, together with the Trust's Total Assets being referred to as "Adjusted Total Assets").

- (2) The Trust will not, and will not permit any Subsidiary to, incur any Secured Debt if, immediately after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount of all outstanding Secured Debt of the Trust and its Subsidiaries on a consolidated basis is greater than 40% of Adjusted Total Assets.
- (3) The Trust will not, and will not permit any Subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service to the Annual Service Charge for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5 to 1 on a pro forma basis, after giving effect thereto and the application of the proceeds thereof.

#### Maintenance of Total

Unencumbered Assets..... The Trust must maintain Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of Unsecured Debt of the Trust and its Subsidiaries.

Optional Redemption..... The Notes are redeemable at any time at the option of the Trust, in whole or in part, at a redemption price equal to the sum of: (i) the principal amount of the Notes being redeemed plus accrued interest to the redemption date and (ii) the Make-Whole Amount, if any. See "Description of the Notes -- Optional Redemption."

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#### THE TRUST

Washington Real Estate Investment Trust ("WRIT" or the "Trust"), founded in 1960, is an equity real estate investment trust investing in a diversified range of income-producing properties throughout the greater Washington-Baltimore region. The Trust has a fundamental strategy of regional focus, diversified property type ownership and conservative financial management.

The Trust owns a diversified portfolio of 44 properties consisting of 16 office buildings, 12 shopping centers, 6 high-rise apartment buildings and 10 industrial distribution centers. The percentage leased at June 30, 1996 for the Trust's properties was 93% for office buildings, 89% for shopping centers, 95% for apartment buildings and 98% for industrial distribution centers. Total debt (all medium-term) on June 30, 1996 was \$74,600,000, which represented approximately 14% of the total market capitalization of the Trust.

The principal offices of the Trust are located at 10400 Connecticut Avenue, Kensington, Maryland 20895, telephone (301) 929-5900/(800) 565-9748.

#### RECENT DEVELOPMENTS

On May 17, 1996, WRIT Limited Partnership, a 99.9% owned subsidiary of WRIT, purchased Maryland Trade Center I and II, office buildings containing approximately 350,000 rentable square feet located in Greenbelt, Maryland, for a purchase price of \$28,000,000. The purchase price was paid out of an advance from WRIT's unsecured line of credit. On the date of acquisition, the buildings were 98.5% leased. Major tenants include NationsBank, OAO, Orbital Sciences Corporation, Lockheed Martin Corporation, TRW and various law and accounting firms.

On June 25, 1996, the Trust completed its reorganization as a Maryland real

estate investment trust. The Trust was originally organized in 1960 as a District of Columbia business trust.

RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth the Trust's ratios of earnings to fixed charges for the periods shown:

<TABLE>  
<CAPTION>

YEAR ENDED DECEMBER 31,					SIX MONTHS
1991	1992	1993	1994	1995	ENDED JUNE 30, 1996
<S>	<C>	<C>	<C>	<C>	<C>
17.94x	45.13x	366.95x	38.65x	12.95x	9.48x

</TABLE>

The ratios of earnings to fixed charges were computed by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations and fixed charges. Fixed charges consist of interest expense (including interest costs capitalized) and the amortization of debt issuance costs.

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USE OF PROCEEDS

The net proceeds to the Trust from the sale of the Notes offered hereby are estimated at approximately \$97.7 million. Up to \$67 million of the proceeds will be used to repay borrowings outstanding under the Trust's lines of credit. The borrowings outstanding under the lines of credit presently bear interest at a weighted average rate of 6.0% and are due and payable between August 28, 1996 and January 31, 1999. The balance of the net proceeds will be used for general business purposes, including the acquisition and/or renovation, expansion or improvement of income-producing properties. It is expected that the properties purchased in the future will be of the same general character as those presently held by the Trust. Pending such uses, the net proceeds may be invested in short-term income producing investments such as investments in commercial paper, government securities or money market funds that invest in government securities.

CAPITALIZATION

The following table sets forth the capitalization of the Trust as of June 30, 1996, and as adjusted to give effect to the issuance and sale of the Notes offered hereby and the anticipated use of \$67 million of the net proceeds thereof to repay indebtedness outstanding under the lines of credit.

<TABLE>  
<CAPTION>

	JUNE 30, 1996	
	HISTORICAL	AS ADJUSTED
	(IN THOUSANDS)	
<S>	<C>	<C>
Lines of credit payable:.....	\$ 67,000	\$ --
Long-term debt:		
Mortgage notes payable.....	7,649	7,649
7 1/8% Senior Notes due 2003.....	--	50,000
7 1/4% Senior Notes due 2006.....	--	50,000
	-----	-----
Total debt.....	\$ 74,649	\$ 107,649
	=====	=====
Shareholders' equity:		
Shares of beneficial interest; \$.01 par value; 100,000,000 shares authorized(1): 31,751,734 shares issued and outstanding.....	\$ 318	\$ 318
Additional paid-in capital.....	181,940	181,940
Undistributed gains on real estate dispositions.....	15,319	15,319
	-----	-----
Total shareholders' equity.....	197,577	197,577
	-----	-----
Total capitalization.....	\$ 272,226	\$ 305,226
	=====	=====

</TABLE>

(1) Subject to increase upon the approval of the Trustees and without a vote of the shareholders.

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The following table sets forth selected consolidated financial data for the Trust and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements of the Trust and related notes thereto incorporated herein by reference.

<TABLE>  
<CAPTION>

SIX MONTHS

ENDED JUNE 30,

YEAR ENDED DECEMBER 31,

		1991	1992	1993	1994	1995	
		(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)					
<S>		<C>	<C>	<C>	<C>	<C>	<C>
<C>							
OPERATING DATA							
1995	1996						
Real estate rental revenue.....		\$ 33,311	\$ 34,132	\$ 39,375	\$ 45,511	\$ 52,597	\$
25,292	\$ 30,511						
Real estate expenses.....		(10,089)	(10,330)	(11,830)	(14,031)	(16,600)	
(8,178)	(10,141)						
		23,222	23,802	27,545	31,480	35,997	
17,114	20,369						
Depreciation.....		(3,289)	(3,388)	(3,616)	(3,933)	(5,083)	
(2,198)	(3,261)						
		19,933	20,414	23,929	27,547	30,914	
Income from real estate.....							
14,916	17,108						
Other income (expense).....		2,326	3,311	1,496	(550)	715	
196	234						
Interest expense.....		(1,080)	(454)	(61)	(614)	(2,169)	
(1,174)	(1,643)						
General and administrative.....		(2,793)	(2,842)	(2,858)	(3,261)	(3,355)	
(1,581)	(1,664)						
		18,386	20,429	22,506	23,122	26,105	
Income before gain on sale of real estate.....							
12,358	14,035						
Gain on sale of real estate.....		0	0	741	0	0	
0	0						
		\$ 18,386	\$ 20,429	\$ 23,247	\$ 23,122	\$ 26,105	\$
Net income.....							
12,358	\$ 14,035						
		\$ 0.74	\$ 0.76	\$ 0.80	\$ 0.82	\$ 0.88	\$
Income before gain on sale of real estate per share(1).....							
0.44	\$ 0.44						
		\$ 0.74	\$ 0.76	\$ 0.82	\$ 0.82	\$ 0.88	\$
Net income per share(1).....							
0.44	\$ 0.44						

<CAPTION>

JUNE 30,

DECEMBER 31,

		1991	1992	1993	1994	1995	
		(IN THOUSANDS)					
<S>		<C>	<C>	<C>	<C>	<C>	<C>
<C>							
BALANCE SHEET DATA							
1995	1996						
Real estate (at cost).....		\$117,576	\$155,765	\$170,461	\$206,378	\$272,597	
\$234,417	\$316,069						
Total assets.....		135,741	185,673	162,011	178,806	241,783	
202,894	279,997						
Mortgages payable.....		11,329	1,115	0	0	7,706	
0	7,649						
Lines of credit payable/Short-term bank loan.....		0	21,000	0	18,000	28,000	
43,000	67,000						
Shareholders' equity.....		119,944	159,027	157,348	154,659	199,734	

SIX MONTHS

ENDED JUNE 30,

YEAR ENDED DECEMBER 31,

		YEAR ENDED DECEMBER 31,				
		1991	1992	1993	1994	1995
1995	1996					
		(IN THOUSANDS, EXCEPT RATIOS)				
<S>		<C>	<C>	<C>	<C>	<C>
<C>						
OTHER DATA						
Funds from Operations(2)		\$21,675	\$23,817	\$26,122	\$27,055	\$31,187
\$14,556..	\$17,296					
EBITDA(3)		\$22,788	\$24,305	\$26,223	\$27,715	\$33,420
\$15,736	\$18,951					
Ratio of earnings to fixed charges(4) (5)		17.94x	45.13x	366.95x	38.65x	12.95x
11.53x	9.48x					
Ratio of Funds from Operations to fixed charges(2) (5)		19.97x	51.45x	424.75x	44.05x	14.27x
12.40x	10.46x					
Ratio of EBITDA to fixed charges(3) (5)		20.99x	52.51x	426.40x	45.12x	15.30x
13.42x	11.47x					
Interest coverage		21.1x	53.5x	429.2x	45.1x	15.4x
13.40x	11.60x					
Ratio of net operating income to total debt		204.98%	107.63%	N/A	174.89%	100.81%
39.80%	27.29%					
Ratio of Funds from Operations to total debt(2)		191.32%	107.70%	N/A	150.31%	87.34%
28.74%	23.17%					

</TABLE>

(1) Adjusted to give effect to the 3 for 2 share split in May 1992.

(2) Funds from Operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), is net income adjusted for depreciation and amortization and gains or losses from property sales. FFO does not represent cash flows from operations as defined by generally accepted accounting principles, should be considered along with, but not as an alternative to, net income as an indicator of the Trust's operating performance and is not indicative of cash available to fund all cash flow needs. In March 1995, NAREIT issued a clarification of its definition of FFO. The clarification provides that amortization of deferred financing costs and depreciation of non-real estate estate assets are no longer to be added back to net income in arriving at FFO and that extraordinary, nonrecurring items should be adjusted out of net income. The amounts reflected in this Prospectus Supplement and the Prospectus have been adjusted to incorporate that clarification.

(3) EBITDA represents earnings before interest, taxes, depreciation and amortization. EBITDA does not represent cash generated from operating activities as defined by generally accepted accounting principles and, therefore, should not be considered as an alternative to net income as the primary indicator of operating performance or to cash flow as a measure of liquidity, nor does it indicate that cash flow is sufficient to fund all cash requirements.

(4) For purposes of computing this ratio, earnings consist of income from continuing operations and fixed charges.

(5) Fixed charges consist of interest expense (including interest costs capitalized) and the amortization of debt issuance costs.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS -- SIX MONTHS ENDED JUNE 30, 1996 COMPARED TO SIX MONTHS ENDED JUNE 30, 1995

Real Estate Rental Revenue

For the six months ended June 30, 1996, total revenues increased \$5.2 million to \$30.5 million from \$25.3 million in the first six months of 1995.

For the first half of 1996, WRIT's office building group had increases of 23.1% in revenues and 23.4% in operating income as compared to the first half of 1995. These increases were due primarily to the acquisitions of the 1220 19th Street office building in November 1995 and the Maryland Trade Center I and II office buildings in May 1996 and increases in occupancy at the 1901 Pennsylvania

Avenue office building. Comparing those office buildings owned by WRIT for the entire first half of 1995 to their same results in the first half of 1996, revenue and operating income remained unchanged.

For the first half of 1996, WRIT's apartment group had increases of 12.5% in revenues and 10.4% in operating income as compared to the first half of 1995. These increases were due primarily to the acquisition of Walker House Apartments in March 1996 and increased rental rates at 3801 Connecticut Avenue partially offset by increases in utility and snow removal expense due to the unusually severe weather in the first quarter of 1996. Comparing those apartment buildings owned by WRIT for the entire first half of 1995 to their same results in the first half of 1996, revenue increased 1.5% and operating income increased .8%. The increases in revenues and operating income were due primarily to an average rental rate increase of 2.5%.

For the first half of 1996, WRIT's shopping center group had increases of 19.9% in revenues and 14.8% in operating income as compared to the first half of 1995. These increases were due primarily to the 1995 repositioning of Chevy Chase Metro Plaza and the acquisition of Frederick County Square in August 1995, offset partially by increased snow removal expense in the first quarter of 1996. Comparing those shopping centers owned by WRIT for the entire first half of 1995 to their same results in the first half of 1996, revenue increased 4.8% and operating income increased 1.9%. This 1.9% increase in operating income is primarily attributable to the repositioning of Chevy Chase Metro Plaza and increased common area maintenance recoveries resulting from increased snow removal expense in the first quarter of 1996.

For the first half of 1996, WRIT's industrial distribution center group had increases of 19.9% in revenues and 14.8% in operating income as compared to the first half of 1995. This was due primarily to the acquisition in May 1995 of Tech 100 Industrial Park and the acquisition in December 1995 of Crossroads Distribution Center. Comparing those industrial distribution centers owned by WRIT for the entire first half of 1995 to their same results in the first half of 1996, revenue increased 7.5% and operating income increased 7.7%. These increases are primarily due to increased rental rates and occupancy levels.

#### Operating Expenses and Other Results of Operations

Real estate operating expenses as a percentage of revenue was 33.2% for the first half of 1996 as compared to 32.3% for the first half of 1995. This increase is primarily attributable to the increase in snow removal and utility expenses caused by the unusually severe weather in the first quarter of 1996.

Other income increased as compared to the first half of 1995 due to investment earnings in the first half of 1996 on the \$3.4 million remaining net proceeds from the sale of 3,500,000 shares of beneficial interest in July 1995.

Total interest expense was \$1.64 million for the first half of 1996 as compared to \$1.17 million for the first half of 1995. For the first half of 1996, lines of credit interest expense of \$1.30 million was attributable to advances for 1995 and 1996 acquisitions and mortgage interest expense of \$345,800 was attributable to the mortgage note payable assumed in August 1995 for the acquisition of Frederick Country Square. For the first half of 1995, interest expense of \$1.17 million was attributable to advances on the lines of credit for both 1994 and 1995 acquisitions.

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General and administrative expenses increased \$80,000 to \$1.66 million as compared to \$1.58 million for the first half of 1995. The increase for the first half of 1996 as compared to the first half of 1995 is primarily attributable to the incentive compensation plan adopted in 1996 and charged to operations in the second quarter of 1996 and personnel additions in both 1995 and 1996. This increase was partially offset by the net decrease in personnel expenses due to the completion of severance pay in June, 1995 to WRIT's former Chairman and Chief Executive Officer, B. Franklin Kahn, who retired in March, 1995. General and administrative expenses as a percentage of revenue decreased to 5.5% in the first half of 1996 from 6.2% in the first half of 1995.

#### CAPITAL RESOURCES AND LIQUIDITY

WRIT has utilized the proceeds of share offerings, long-term fixed interest rate debt, bank lines of credit and cash flow from operations for its capital needs. External sources of capital will continue to be available to WRIT from its existing unsecured credit commitments, and management believes that additional sources of capital are available from selling additional shares and/or the sale of long-term senior notes. The funds raised would be used to pay off any outstanding advances on the lines of credit and for new acquisitions and capital improvements.

Net cash provided by operating activities totalled \$18.7 million for the first half of 1996, as a result of net income of \$14 million, depreciation of \$3.3 million and increases in liabilities (other than mortgage note and lines of credit payable) of \$1.4 million. The majority of these increases were due to a larger property portfolio.

Net cash used in investing activities for the first half of 1996 was \$43.5 million including property acquisitions of \$39.2 million and capital improvements to real estate of \$4.3 million.

Net cash provided by financing activities for the first half of 1996 was \$22.7 million, including line of credit borrowings of \$39 million, offset by principal repayments of \$57,000 on the mortgage note payable and \$16.2 million in dividends paid. Rental revenue has been the principal source of funds to pay WRIT's operating expenses, interest expense and dividends to shareholders.

WRIT has unsecured lines of credit with commercial banks for up to \$75 million which bear interest at an adjustable spread over LIBOR based on the Trust's interest coverage ratio. As of June 30, 1996, WRIT had \$67 million of borrowings outstanding under its lines of credit with a weighted average interest rate of 6.0%, and \$8 million available for future advances. The \$67 million of borrowings were used for acquisitions of three properties in 1995 and three properties in 1996: Walker House Apartments, a 196 unit 8 story apartment building located in Gaithersburg, Maryland, on March 13, 1996, for an acquisition cost of \$10.8 million and Maryland Trade Center I and II, office buildings containing approximately 350,000 rentable square feet located in Greenbelt, Maryland, on May 17, 1996, for an acquisition price of \$28 million. Line of credit maturities range from August 28, 1996 to January 31, 1999.

Management believes that WRIT has the liquidity and the capital resources necessary to meet all of its known obligations and to make additional property acquisitions and capital improvements when appropriate to enhance long-term growth.

Historically WRIT has acquired 100% ownership in property. However, in 1995 WRIT formed a subsidiary partnership, WRIT Limited Partnership, in which WRIT currently owns 99.9% of the partnership interest. As of June 30, 1996, WRIT Limited Partnership has acquired five properties for cash contributed by WRIT. WRIT intends to use WRIT Limited Partnership to offer property owners an opportunity to contribute properties in exchange for WRIT Limited Partnership units. Such a transaction will enable property owners to diversify their holdings and to obtain a tax deferred contribution for WRIT Limited Partnership units rather than make a taxable cash sale. To date, no such transactions have occurred. WRIT believes that WRIT Limited Partnership will provide WRIT an opportunity to acquire real estate assets which might not otherwise have been offered to it.

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#### BUSINESS AND PROPERTIES

##### GREATER WASHINGTON-BALTIMORE REAL ESTATE MARKET

The Trust has purchased real estate primarily in the greater Washington-Baltimore region because of management's familiarity with the region, its expected growth and proven stability. The greater Washington-Baltimore region is the nation's fourth largest with a population exceeding 6.9 million. This regional real estate market continues to be one of the strongest in the country. The region is ranked first in U.S. median household income and percentage of population with education at the undergraduate and postgraduate level.

Total non-farm employment in the Washington area has grown 88% from 1.6 million jobs in 1970, to 3.1 million jobs in 1995, while the percentage of Federal Government employment in the region has decreased from 38.3% to 15.6%. Since January 1980, seasonally-adjusted unemployment in the Washington area has averaged 4.1% with December 1995 unemployment at 3.6%.

The Washington-Baltimore region is a leader in the rapidly growing technology/infocom and biotech/health care industries. It is the center of the U.S. space commerce/satellite industry with Comsat, GTE Spacenet, Intelsat and NASA all located there. The region has the nation's second highest concentration of technology companies and the third highest concentration of biotech companies.

This region is also the headquarters for several of the largest U.S. and international financial institutions including the World Bank, International Monetary Fund, Inter-American Development Bank, Export-Import Bank, Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (Freddie Mac) and the Student Loan Marketing Association (Sallie Mae).

The Greater Washington-Baltimore regional economy is principally service industry oriented and, particularly in the case of the Greater Washington area, is driven by the presence of the Federal Government. There has been, and management expects there will continue to be, a shrinking in the size of the Federal Government as evidenced by, among other things, a decrease in direct Federal Government employment. However, management believes Federal spending cuts nationally have caused Federal contractors to move closer to their Federal clients in order to retain business. As a result, while Federal spending decreased nationally, it has become more concentrated and increased in the



Washington area. Total Federal procurement (outsourcing) decreased 5% nationally from 1991 to 1994, but increased in the Washington area by over 23% during this same period. Despite a decrease of 1.7% in Federal procurement in 1994, Washington area Federal procurement grew 11%. In 1995, Washington area Federal procurement grew at 9.2%, about double the national rate. While the Federal Government workforce reductions to date have not resulted in any major negative impact on the business of the Trust, no assurance can be given as to the effect on the Trust of further cutbacks in Federal spending or employment.

GENERAL OPERATING PRACTICES

The Trust is an equity real estate investment trust investing in income-producing properties throughout the greater Washington-Baltimore region. The Trust owns a diversified portfolio of 44 properties consisting of 16 office buildings, 12 shopping centers, 6 high-rise apartment buildings and 10 industrial distribution centers. The Trust has a fundamental strategy of regional focus, diversified property type ownership and conservative financial management.

Property Type Diversification. In order to avoid the greater risks of speculative development, the Trust generally buys existing income-producing properties. The Trust seeks to invest in properties with different supply-demand cycles and growth periods, which helps to ensure a lack of dependence on any given sector. For the six months ended June 30, 1996, for example, the Trust's real estate revenue was generated as follows according to property group: office buildings 43%, shopping centers 25%, apartment buildings 21% and industrial distribution centers 11%. As of June 30, 1996, no single property accounted for more than 10% of total assets or more than 10% of total revenues.

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The following tables set forth the real estate rental revenues and the percent leased for each of the Trust's property types for the periods shown:

<TABLE>  
<CAPTION>

	REAL ESTATE RENTAL REVENUE		
	1995	1994	1993
Office buildings.....	41 %	39 %	34 %
Apartment buildings.....	22 %	25 %	27 %
Shopping centers.....	26 %	26 %	29 %
Industrial distribution centers.....	11 %	10 %	10 %
	100 %	100 %	100 %

</TABLE>

PERCENT LEASED BY PROPERTY TYPE

[The Prospectus Supplement sets forth a graph plotting the following sets of data points, with each of the four sets of data points set forth as a separate and distinctly identified line. The percentage occupancy is shown on the vertical axis and the year is shown on the horizontal axis.]

<TABLE>  
<CAPTION>

Shopping Centers		Industrial Distribution Centers	
year	occupancy	year	occupancy
1980	98%	1980	100%
1981	99	1981	98
1982	98	1982	100
1983	98	1983	100
1984	96	1984	98
1985	99	1985	97
1986	94	1986	96
1987	95	1987	96
1988	94	1988	96
1989	97	1989	99
1990	98	1990	98
1991	95	1991	98
1992	97	1992	93
1993	97	1993	89
1994	97	1994	94
1995	94	1995	97

</TABLE>

<TABLE>

<CAPTION>

Office Buildings

Apartment Buildings

year	occupancy	year	occupancy
<S>	<C>	<C>	<C>
1980	99%	1980	93%
1981	97	1981	97
1982	92	1982	94
1983	97	1983	95
1984	94	1984	96
1985	90	1985	95
1986	83	1986	95
1987	87	1987	94
1988	94	1988	95
1989	92	1989	95
1990	86	1990	94
1991	87	1991	94
1992	89	1992	94
1993	95	1993	95
1994	93	1994	97
1995	89	1995	96

</TABLE>

Tenant Diversification. The Trust also seeks to maintain a diversified tenant base in its commercial properties in order to minimize the influence of any one tenant on the Trust's revenues. As of June 30, 1996, WRIT's commercial tenant base was diversified among approximately 800 tenants, with the average tenant occupying less than approximately 4,700 square feet and no single lease accounting for more than 1.9% of the Trust's annual revenues. As of the same date, annual rents attributable to all Federal Government tenants totaled approximately 3.7% of the Trust's annual revenues.

WRIT's ten largest commercial tenants in order of annual rental revenues are: Federal Government (various agencies), Crestar Bank, OAO Corporation, District of Columbia Metropolitan Police Department, TRW, Inc., NationsBank, TJ Maxx, Pepsi Cola, CVS, and Lockheed Martin Corporation.

Commercial Leasing Policy. WRIT has focused its leasing efforts toward the private sector smaller space user and toward shorter lease terms. This policy, consistent with the Trust's local, hands-on strategic approach to real estate, enables WRIT to use its first-hand knowledge of the greater Washington-Baltimore region to seek to maximize periodic rental rate increases in its commercial property portfolio. In 1996, 218 commercial leases are scheduled to expire, representing approximately 716,000 square feet. During the six months ended June 30, 1996, WRIT entered into 168 commercial leases for approximately 549,000 square feet.

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[The Prospectus Supplement sets forth a map of the Washington, D.C. metropolitan area showing the location of each of the Trust's 44 properties and indicating the type of property (shopping center, industrial distribution center, apartment building or office building). It also includes a list of properties, substantially similar to the list set forth on page S-13 of the Prospectus Supplement, with each property on the list keyed to its location on the map.]

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INVESTMENTS OF THE TRUST

The following table lists the Trust's 44 properties as of June 30, 1996. Net square footage does not include garage or surface parking. The percentage leased is the percentage of net rentable space leased for which fully executed leases exist and may include signed leases for space not yet occupied by the tenants.

<TABLE>  
<CAPTION>

REAL ESTATE INVESTMENTS	YEAR ACQUIRED	NET SQUARE FEET	PERCENT LEASED	ACQUISITION COST	CAPITAL IMPROVEMENTS SINCE ACQUISITION	TOTAL INVESTMENT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SHOPPING CENTERS						
Concord Centre.....	1973	76,383	81%	\$ 1,263,000	\$ 2,644,067	\$ 3,907,067
Bradlee Shopping Center.....	1984	167,974	98	9,580,000	3,529,538	13,109,538
Clairmont Shopping Center.....	1976	40,455	68	1,046,000	641,357	1,687,357
Dover Mart Shopping Center.....	1973	44,044	77	707,000	691,053	1,398,053
Chevy Chase Metro Plaza.....	1985	50,663	98	5,854,000	2,854,518	8,708,518

Prince William Plaza.....	1968	54,584	96	992,000	579,027	1,571,027
Takoma Park Shopping Center.....	1963	58,811	100	1,500,000	856	1,500,856
Westminster Shopping Center.....	1972	165,774	92	2,442,000	1,748,763	4,190,763
Wheaton Park Shopping Center.....	1977	46,716	98	1,480,000	808,440	2,288,440
Montgomery Village Center.....	1992	196,063	74	20,730,000	518,061	21,248,061
The Shoppes of Foxchase.....	1994	126,901	99	8,818,000	778,899	9,596,899
Frederick County Square.....	1995	232,783	87	13,417,139	18,775	13,435,914
Sub-Total.....		1,261,151	89%	\$ 67,829,139	\$14,813,354	\$ 82,642,493
OFFICE BUILDINGS						
The WRIT Building.....	1979	65,653	95%	\$ 1,912,000	\$ 3,010,626	\$ 4,922,626
1901 Pennsylvania Avenue.....	1977	96,450	80	4,373,000	4,920,441	9,293,441
One Metro Square.....	1979	206,296	85	11,709,000	5,944,241	17,653,241
444 North Frederick Avenue.....	1989	65,463	82	4,630,000	1,241,045	5,871,045
7700 Leesburg Pike.....	1990	121,819	99	7,670,000	2,642,893	10,312,893
Arlington Financial Center.....	1992	51,082	100	6,293,000	152,446	6,445,446
515 King Street.....	1992	77,986	94	8,034,000	713,529	8,747,529
The Lexington Building.....	1993	47,579	84	2,442,000	286,252	2,728,252
The Saratoga Building.....	1993	59,237	97	3,018,000	604,603	3,622,603
Brandywine Center.....	1993	34,982	84	1,454,000	211,540	1,665,540
Tycon II.....	1994	138,361	97	10,505,000	820,645	11,325,645
Tycon III.....	1994	151,922	95	11,049,000	695,827	11,744,827
6110 Executive Boulevard.....	1995	198,553	93	16,409,000	1,386,149	17,795,149
1220 19th Street.....	1995	103,860	95	19,165,817	55,511	19,221,328
Maryland Trade Center I.....	1996	190,620	100	16,076,723	1,792	16,078,515
Maryland Trade Center II.....	1996	159,193	98	12,312,839	3,744	12,316,583
Sub-Total.....		1,769,056	93%	\$137,053,379	\$22,691,284	\$159,744,663
APARTMENT BUILDINGS/UNITS (1)						
Country Club Towers/227.....	1969	276,000	95%	\$ 2,861,000	\$ 2,387,738	\$ 5,248,738
Munson Hill Towers/279 (2).....	1970	340,000	95	3,337,000	3,715,621	7,052,621
Park Adams/200.....	1969	210,000	96	1,940,000	2,416,960	4,356,960
Roosevelt Towers/191.....	1965	229,000	94	2,332,000	1,678,403	4,010,403
3801 Connecticut Avenue/307.....	1963	242,000	94	3,098,000	3,785,789	6,883,789
Walker House Apartments/196.....	1996	148,000	97	10,796,773	31,996	10,828,769
Sub-Total.....		1,445,000	95%	\$ 24,364,773	\$14,016,507	\$ 38,381,280
INDUSTRIAL DISTRIBUTION CENTERS						
Pepsi-Cola Distribution Center.....	1987	68,750	100%	\$ 2,552,000	\$ 1,559,598	\$ 4,111,598
Capital Freeway Center.....	1974	145,000	100	1,505,000	2,624,006	4,129,006
Department of Commerce.....	1971	105,000	100	1,356,000	1,292,907	2,648,907
Fullerton Business Center.....	1985	103,339	100	4,267,000	725,921	4,992,921
Ravensworth Center.....	1986	29,000	79	1,451,000	345,449	1,796,449
Shirley I-395 Business Center.....	1961	112,585	100	1,917,000	1,101,877	3,018,877
V Street Distribution Center.....	1973	30,753	100	443,000	162,461	605,461
Charleston Business Center.....	1993	85,306	95	4,136,000	130,064	4,266,064
Tech 100 Industrial Park.....	1995	167,267	98	6,832,000	48,151	6,880,151
Crossroads Distribution Center.....	1995	84,550	100	2,839,998	11,363	2,851,361
Sub-Total.....		931,550	98%	\$ 27,298,998	\$ 8,001,797	\$ 35,300,795
TOTAL.....		5,406,757		\$256,546,289	\$59,522,942	\$316,069,231

</TABLE>

(1) Apartment buildings are presented in gross square feet.

(2) 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.

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#### POSSIBLE ENVIRONMENTAL LIABILITIES

Under various federal, state and local laws, ordinances and regulations, such as the Comprehensive Environmental Response Compensation and Liability Act or "CERCLA," and common law, an owner or operator of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property as well as certain other costs, including governmental fines and injuries to persons and property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of such substances, or the failure to remediate such substances properly, may adversely affect the owner's or operator's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at a disposal or treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws, including the Clean Air Act and the Occupational Safety and Health Act, may impose liability for the release of asbestos-containing materials ("ACM") into the air. Also, third parties may seek

recovery from owners or operators of real property for personal injuries associated with ACM. The potential for release of, or exposure to, asbestos from ACMs is greater if ACMs are damaged and "friable." Friable ACMs are generally any ACMs that can be crumbled, pulverized or reduced to powder by hand pressure.

The Trust has obtained asbestos inspections at the 29 properties which were constructed before 1981 or which have not been subject to significant construction or renovation within approximately the past year. These inspections have revealed the existence of nonfriable and friable ACMs and presumed ACMs at a number of properties. A release of asbestos could occur if ACMs at these properties are not properly maintained or are inadvertently disturbed. The Trust has initiated an operations and maintenance program to manage, and, where appropriate, remove, ACMs. The Trust believes that the implementation of this program will not constitute a material expenditure to the Trust, and that even if a release of asbestos did occur it would not have a material adverse effect on the Trust or its financial position, results of operations or liquidity.

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#### MANAGEMENT

#### TRUSTEES

The following persons serve as the Trustees of the Trust.

Mr. Arthur A. Birney, age 68, a founding Trustee and Chairman of the Trustees, is Managing Partner and Chief Executive Officer of Washington Brick & Terra Cotta Co., a real estate investment and holding company founded in 1892, President of Port Annapolis Marina, Inc. and Managing Partner of Queenstown Harbor Golf Links L.P.

Mr. Edmund B. Cronin, Jr., age 59, the Trust's President and Chief Executive Officer, has 35 years of real estate investment, development, operations and finance experience in the Washington, D.C. metropolitan market. From 1977 to 1993, he served as Chairman and Chief Executive Officer of Smithy Braedon Company, a full service commercial real estate firm providing leasing, sales, asset management, finance, consulting, advisory and development services. From 1993 until joining the Trust in June 1994, Mr. Cronin was Chief Executive Officer of H.G. Smithy Company, a real estate management and advisory service company whose debt and equity assets under management total approximately \$1.5 billion.

Mr. David M. Osnos, age 64, is a partner of Arent Fox Kintner Plotkin & Kahn, the Trust's legal counsel. He is a director of VSE Corporation, an engineering firm, and East Group Properties, a real estate investment trust.

Mr. William N. Cafritz, age 70, is President of William Cafritz Development Corp., a real estate development firm.

Mr. Benjamin H. Dorsey, age 72, retired as General Counsel of the Trust as of December 31, 1995. Mr. Dorsey had served as Secretary and General Counsel of the Trust since 1960. Mr. Dorsey continues to serve as Secretary and as a Trustee.

Mr. B. Franklin Kahn, age 71, retired as Chairman of the Trustees and Chief Executive Officer of the Trust effective March 9, 1995, a position he had held since 1960. Mr. Kahn continues to serve as a Trustee.

Mr. Stanley P. Snyder, age 61, is Chairman of Snyder, Kamerow & Associates, P.C., an accounting firm.

#### OTHER EXECUTIVE OFFICERS

The following persons are the other executive officers of the Trust.

Ms. Mary Beth Avedesian, age 35, joined the Trust as Vice President -- Investments in March 1995. Ms. Avedesian was an Assistant Vice President for Towle Financial Services from 1993-1995, where she performed acquisition due diligence and asset management. Before Towle, Ms. Avedesian was employed for 2 years as an Assistant Manager and Marketing Manager for AMRESCO, a subsidiary of NationsBank formed to dispose of bank-owned property; and for 4 years with Himmel and Company as a Financial Analyst and Development Coordinator.

Mr. Larry E. Finger, age 42, an attorney and CPA, joined the Trust as Vice President and Chief Financial Officer in December 1993 and was elected Senior Vice President and Chief Financial Officer in June 1995. Prior to joining the Trust, Mr. Finger served as Chief Operating Officer of Savage/Fogarty Companies, Inc., a real estate investment, management and development company based in Alexandria, Virginia. Mr. Finger was employed by Savage/Fogarty for 13 years, from 1978-1991. During 1992 and until he joined the Trust, Mr. Finger created and operated a multi-restaurant delivery business in Richmond, Virginia.

Mr. Brian J. Fitzgerald, age 34, joined the Trust in January of 1996 as Vice President and Division Manager of Leasing. Prior to coming to the Trust,

Mr. Fitzgerald served as a commercial leasing broker from 1984 to 1993 with Smithy Braedon Company, in Northern Virginia. In 1993, he became a Vice President of H.G. Smithy Company, with responsibilities for managing all agency leasing activities. From the date of the merger of H.G. Smithy Commercial Management Group with Cushman & Wakefield of Washington, D.C.,

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Inc. in June 1994 until joining the Trust, Mr. Fitzgerald managed institutional agency leasing activities at Cushman & Wakefield, Inc. of Washington, D.C.

Ms. Laura M. Franklin, age 35, a CPA, joined the Trust as Assistant Vice President -- Finance in 1993 and was elected Vice President and Chief Accounting Officer in June 1995. Prior to joining the Trust, Ms. Franklin spent over 10 years with the public accounting firm of Reznick, Fedder and Silverman, P.C. specializing in auditing and tax for real estate clients.

Ms. Sandra T. Hunt, age 44, joined the Trust in 1983 and has held the position of Vice President -- Leasing since 1984.

Mr. Thomas L. Regnell, age 39, joined the Trust as Vice President -- Acquisitions in January of 1995. From 1992 through 1994, Mr. Regnell served as an Investment Officer with Federal Realty Investment Trust in Bethesda, Maryland. Mr. Regnell was responsible for Federal Realty's real estate acquisitions in the Midwest and Southeast United States. Prior to joining Federal Realty, Mr. Regnell was a Vice President with Spaulding & Slye Company, a real estate development, brokerage and management company in Bethesda, Maryland. Mr. Regnell was associated with Spaulding & Slye for seven years.

#### DESCRIPTION OF THE NOTES

The following description of the particular terms of the Notes offered hereby (referred to in the accompanying Prospectus as the "Securities") supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of Securities set forth in the Prospectus, to which description reference is hereby made. The following statements relating to the Notes and the Indenture between the Trust and The First National Bank of Chicago (the "Indenture Trustee"), dated as of August 1, 1996 (the "Indenture"), are summaries of provisions contained therein and do not purport to be complete. Such statements are qualified by reference to the provisions of the Indenture, including the definitions therein of certain terms. (Capitalized terms not otherwise defined herein shall have the meanings given to them in the Prospectus.)

#### GENERAL

The 2003 Notes and the 2006 Notes constitute separate series of securities, each to be issued under the Indenture, and will be limited to aggregate principal amounts of \$50,000,000 and \$50,000,000, respectively. The 2003 Notes will mature on August 13, 2003, and the 2006 Notes will mature on August 13, 2006 (each, a "Maturity Date"). The Notes are not subject to any sinking fund provisions. The Notes will only be issued in fully registered book-entry form without coupons in denominations of \$1,000 and integral multiples thereof, except under the limited circumstances described below under "Book-Entry System."

The Notes will be direct obligations of the Trust and will rank equally with each other and with all other unsecured and unsubordinated indebtedness of the Trust. The Notes will be effectively subordinated to the prior claims of each secured mortgage lender to any specific property of the Trust which secures such lender's loan. As of June 30, 1996, such mortgage loans aggregated approximately \$7,649,000. Subject to certain limitations set forth in the Indenture and as described under "Description of Securities -- Certain Covenants" and "-- Merger, Consolidation or Sale" in the accompanying Prospectus, the Indenture will permit the Trust to incur additional secured and unsecured indebtedness.

Reference is made to the section entitled "Description of Securities -- Certain Covenants" in the accompanying Prospectus for a description of the covenants applicable to the Notes. Compliance with such covenants generally may not be waived by the Indenture Trustee unless the Holders of at least a majority in principal amount of all outstanding Notes consent to such waiver; provided, however, that the defeasance and covenant defeasance provisions in the Indenture described under "Description of Securities -- Discharge, Defeasance and Covenant Defeasance" in the accompanying Prospectus will apply to the Notes.

Except as described under "Description of Securities -- Certain Covenants -- Limitations on Incurrence of Debt" and under "Description of Securities -- Merger, Consolidation or Sale" in the accompanying

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Prospectus, the Indenture does not contain any other provisions that would limit the ability of the Trust to incur indebtedness or that would afford Holders of

the Notes protection in the event of (i) a highly leveraged or similar transaction involving the Trust or (ii) a reorganization, restructuring, merger or similar transaction involving the Trust that may adversely affect the Holders of the Notes. In addition, subject to the limitations set forth under "Description of Securities -- Certain Covenants" and "-- Merger, Consolidation or Sale" in the accompanying Prospectus, the Trust may, in the future, enter into certain transactions such as the sale of all or substantially all of its assets or the merger or consolidation of the Trust with another entity that would increase the amount of the Trust's indebtedness or substantially reduce or eliminate the Trust's assets, which may have an adverse effect on the Trust's ability to service its indebtedness, including the Notes. The Trust has no present intention of engaging in a highly leveraged or similar transaction involving the Trust.

#### PRINCIPAL AND INTEREST

The Notes will bear interest at the respective rates set forth on the cover page of this Prospectus Supplement from August 13, 1996, or the most recent Interest Payment Date (as defined below) to which interest has been paid or provided for, payable semi-annually in arrears on each February 13 and August 13, commencing February 13, 1997 (each, an "Interest Payment Date"), and on the applicable Maturity Date to the persons (the "Holders") in whose names the applicable Notes are registered in the securities register applicable to the Notes at the close of business 15 calendar days prior to such payment date regardless of whether such day is a Business Day, as defined below (each, a "Regular Record Date"). Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The principal of each Note payable on the applicable Maturity Date will be paid against presentation and surrender of such Note at the corporate trust office of the Indenture Trustee, located initially at c/o First Chicago Trust Company of New York, 14 Wall Street, Eighth Floor -- Window 2, New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If any Interest Payment Date or a Maturity Date falls on a day that is not a Business Day, the required payment shall be made on the next Business Day as if it were made on the date such payment was due and no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date or such Maturity Date, as the case may be. "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in the City of New York are authorized or required by law, regulation or executive order to close.

#### OPTIONAL REDEMPTION

The Notes may be redeemed at any time, at the option of the Trust, in whole or from time to time in part, at a redemption price equal to the sum of (i) the principal amount of the Notes being redeemed plus accrued interest thereon to the redemption date and (ii) the Make-Whole Amount (as defined below), if any, with respect to such Notes (the "Redemption Price").

If notice has been given as provided in the Indenture and funds for the redemption of any Notes called for redemption shall have been made available on the redemption date referred to in such notice, such Notes will cease to bear interest on the date fixed for such redemption specified in such notice and the only right of the Holders from and after the redemption date will be to receive payment of the Redemption Price upon surrender of such Notes in accordance with such notice.

Notice of any optional redemption of any Notes will be given to Holders at their addresses, as shown in the security register for the Notes, not more than 60 nor less than 30 days prior to the date fixed for redemption. The notice of redemption will specify, among other items, the Redemption Price and the principal amount of the Notes held by such Holder to be redeemed.

If less than all the Notes are to be redeemed at the option of the Trust, the Trust will notify the Indenture Trustee at least 45 days prior to giving notice of redemption (or such shorter period as is satisfactory to the Indenture Trustee) of the aggregate principal amount of Notes to be redeemed and their redemption date.

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The Indenture Trustee shall select, in such manner as it shall deem fair and appropriate, Notes to be redeemed in whole or in part.

As used herein:

"Make-Whole Amount" means, in connection with any optional redemption or accelerated payment of any 2003 Notes or 2006 Notes, the excess, if any, of (i) the aggregate present value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect

of each such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semi-annual basis, such principal and interest at the applicable Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given or declaration of acceleration is made) from the respective dates on which such principal and interest would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Notes of such series being redeemed or paid.

"Reinvestment Rate" means (i) with respect to the 2003 Notes, .15%, and (ii) with respect to the 2006 Notes, .25%, plus, in each case, the arithmetic mean of the yields under the respective heading "Week Ending" published in the most recent Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity, as of the payment date of the principal of the series of Notes being redeemed or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities, or, if such statistical release is not published at the time of any determination under the Indenture, then such other reasonably comparable index which shall be designated by the Trust.

#### BOOK-ENTRY SYSTEM

The following are summaries of certain rules and operating procedures of DTC that affect the payment of principal and interest and transfers of interests in the Global Securities. Upon issuance, each series of Notes will only be issued in the form of a Global Security which will be deposited with, or on behalf of, DTC and will be registered in the name of Cede & Co., as nominee of DTC. Unless and until it is exchanged in whole or in part for Notes in definitive form under the limited circumstances described below, a Global Security may not be transferred except as a whole (i) by DTC to a nominee of DTC, (ii) by a nominee of DTC to DTC or another nominee of DTC or (iii) by DTC or any such nominee to a successor of DTC or a nominee of such successor.

Ownership of beneficial interests in a Global Security will be limited to persons that have accounts with DTC for such Global Security ("participants") or persons that may hold interests through participants. Upon the issuance of a Global Security, DTC will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal amounts of the Notes represented by such Global Security beneficially owned by such participants. Ownership of beneficial interests in Global Securities will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by DTC (with respect to interests of participants) and on the records of participants (with respect to interests of persons holding through participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may limit or impair the ability to own, transfer or pledge beneficial interests in the Global Securities.

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So long as DTC or its nominee is the registered owner of a Global Security, DTC or its nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by such Global Security for all purposes under the Indenture. Except as set forth below, owners of beneficial interests in a Global Security will not be entitled to have Notes represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such Notes in certificated form and will not be considered the registered owners or Holders of any Notes under the Indenture. Accordingly, each person owning a beneficial interest in a Global Security must rely on the procedures of DTC and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a Holder under the Indenture. The Trust understands that under existing industry practices, if the Trust requests any action of Holders or if an owner of a beneficial interest in a Global Security desires to give or take any action that a Holder is entitled to give or take under the Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instructions of beneficial owners holding through them.

Principal and interest payments on interests represented by a Global Security will be made to DTC or its nominee, as the case may be, as the

registered owner of such Global Security. None of the Trust, the Indenture Trustee or any other agent of the Trust or agent of the Indenture Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership of interests in the Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Trust expects that DTC, upon receipt of any payment of principal or interest in respect of a Global Security, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in such Global Security as shown on the records of DTC. The Trust also expects that payments by participants to owners of beneficial interests in the Global Securities held through such participants will be governed by standing customer instructions and customary practice, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participants.

If DTC is at any time unwilling or unable to continue a depository for the Notes and the Trust fails to appoint a successor depository registered as a clearing agency under the Exchange Act within 90 days, the Trust will issue the Notes in definitive form in exchange for the respective Global Securities. Any Notes issued in definitive form in exchange for the Global Securities will be registered in such name or names, and will be issued in denominations of \$1,000 and such integral multiples thereof, as DTC shall instruct the Indenture Trustee. It is expected that such instructions will be based upon directions received by DTC from participants with respect to ownership of beneficial interests in the Global Securities.

The following is based on information furnished by DTC:

DTC is a limited-purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers (including the Underwriters), banks, trust companies, clearing corporations, and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers and banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly. The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

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#### SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the Notes will be made by the Underwriters in immediately available funds. All payments of principal and interest in respect of the Notes will be made by the Trust in immediately available funds, so long as DTC continues to make its Same-Day Funds Settlement System available to the Trust.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearinghouse or next-day funds. In contrast, the Notes will trade in DTC's Same-Day Funds Settlement System until maturity or until the Notes are issued in certificated form, and secondary market trading activity in the Notes will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Notes.

#### UNDERWRITING

Subject to the terms and conditions contained in the terms agreement and the related underwriting agreement (together, the "Underwriting Agreement"), the Trust has agreed to sell to each of the underwriters named below (the "Underwriters"), and each of the Underwriters, for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated and Alex. Brown & Sons Incorporated are acting as representatives (the "Representatives"), has severally agreed to purchase from the Trust, the respective principal amount of the Notes set forth opposite their names below.

<TABLE>  
<CAPTION>

UNDERWRITER	PRINCIPAL AMOUNT OF 2003 NOTES	PRINCIPAL AMOUNT OF 2006 NOTES
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<S>	<C>	<C>
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	\$ 22,500,000	\$ 22,500,000
Alex. Brown & Sons Incorporated.....	22,500,000	22,500,000
A.G. Edwards & Sons, Inc. ....	2,500,000	2,500,000
First Chicago Capital Markets, Inc. ....	2,500,000	2,500,000
	-----	-----
Total.....	\$ 50,000,000	\$ 50,000,000
	=====	=====

</TABLE>

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent, and that the Underwriters will be obligated to purchase all of the Notes if any are purchased.

The Underwriters have advised the Trust that the Underwriters propose initially to offer each series of Notes to the public at the public offering price set forth on the cover page of this Prospectus Supplement, and to certain dealers at such price less a concession not in excess of .4% (in the case of the 2003 Notes) and .45% (in the case of the 2006 Notes) of the principal amount thereof. The Underwriters may allow, and such dealers may reallow, a discount not in excess of .25% of the principal amount thereof on sales to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

Each series of Notes is a new issue of securities with no established trading market. The Trust does not intend to apply for listing of the Notes on a national securities exchange. The Trust has been advised by the Underwriters that the Underwriters intend to make a market in the Notes as permitted by applicable laws and regulations, but the Underwriters are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

The Trust has agreed to indemnify the Underwriters against civil liabilities, including certain liabilities under the Securities Act of 1933, as amended, or to contribute to payments the Underwriters may be required to make in respect thereof.

The Representatives from time to time provide investment banking and financial advisory services to the Trust. The Representatives and A.G. Edwards & Sons, Inc. also acted as representatives of various underwriters in connection with the public offering of the Trust's shares of beneficial interest in 1995. The First National Bank of Chicago, an affiliate of First Chicago Capital Markets, Inc., is serving as Indenture Trustee for the Notes and is also an agent bank for one of the Trust's lines of credit.

S-20

[WRIT LOGO]  
PROSPECTUS

\$100,000,000

WASHINGTON REAL ESTATE INVESTMENT TRUST  
DEBT SECURITIES

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Washington Real Estate Investment Trust ("WRIT" or the "Trust") may from time to time offer, in one or more series, unsecured debt securities with an aggregate public offering price of up to \$100,000,000 (or its equivalent in another currency based on the exchange rate at the time of sale) in amounts, at prices and on terms to be determined at the time of offering (the "Securities"). The Securities may be offered in separate series in amounts, at prices and on terms to be set forth in one or more supplements to this Prospectus (each a "Prospectus Supplement").

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and will include, where applicable: the specific title, aggregate principal amount, currency, form (which may be registered or bearer, or certificated or global), authorized denominations, maturity, rate (or manner of calculation thereof) and time of payment of interest, terms for redemption at the option of the Trust or repayment at the option of the holder, terms for sinking fund payments, covenants and any initial public offering price.

The applicable Prospectus Supplement will also contain information, where applicable, about certain United States federal income tax considerations relating to, and any listing on a securities exchange of, the Securities covered by such Prospectus Supplement.

The Securities may be offered directly, through agents designated from time to time by the Trust or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of the Securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth, or will be calculable from the information set

forth, in an accompanying Prospectus Supplement. See "Plan of Distribution." No Securities may be sold without delivery of a Prospectus Supplement describing the method and terms of the offering of such series of Securities.

-----  
THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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The date of this Prospectus is July 29, 1996.

#### AVAILABLE INFORMATION

The Trust is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by the Trust can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's Regional Offices at 7 World Trade Center, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such materials can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The Trust's shares of beneficial interest are listed on the American Stock Exchange, 86 Trinity Place, New York, New York 10005 and reports, proxy statements and other information filed by the Trust can be inspected at such Exchange.

The Trust has filed a registration statement on Form S-3 (together with all amendments and exhibits thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Securities offered hereby. This Prospectus does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the Registration Statement.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Trust hereby incorporates by reference the following documents filed with the Commission pursuant to the Exchange Act:

1. The Trust's Annual Report on Form 10-K for the year ended December 31, 1995.
2. The Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.
3. The Trust's Proxy Statement dated April 22, 1996.
4. The Trust's Current Report on Form 8-K dated May 31, 1996, as amended by Amendment No. 1 dated July 25, 1996.
5. The Trust's Form 8-B dated July 10, 1996.

Each document filed subsequent to the date of this Prospectus pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and prior to termination of the offering of all Securities to which this Prospectus relates shall be deemed to be incorporated by reference in this Prospectus and shall be a part hereof from the date of filing of such document. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus (in the case of a statement in a previously-filed document incorporated or deemed to be incorporated by reference herein), in any accompanying Prospectus Supplement relating to a specific offering of Securities or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus or any accompanying Prospectus Supplement. Subject to the foregoing, all information appearing in this Prospectus and each accompanying Prospectus Supplement is qualified in its entirety by the information appearing in the documents incorporated by reference.

The Trust will provide without charge to each person to whom a copy of this

Prospectus is delivered, upon their written or oral request, a copy of any or all of the documents incorporated herein by reference (other than exhibits to such documents). Written requests for such copies should be addressed to Larry E. Finger, Washington Real Estate Investment Trust, 10400 Connecticut Avenue, Kensington, Maryland 20895, telephone (301) 929-5900 or (800) 565-9748.

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THE TRUST

The Trust is an equity real estate investment trust investing in income producing properties principally in the greater Washington-Baltimore region. The Trust owns a diversified portfolio of 44 properties consisting of 16 office buildings, 12 shopping centers, 6 high-rise apartment buildings and 10 industrial distribution properties.

WRIT's principal objective is to increase operating income by investing in high quality real estate with strong growth potential in prime locations and aggressively managing these properties with active leasing and capital improvement programs. The percentage leased at March 31, 1996 for the Trust's properties was 90% for office buildings, 90% for shopping centers, 95% for apartment buildings and 96% for industrial distribution properties.

Total debt (all medium term) on March 31, 1996 was \$46,700,000, which represented approximately 9% of the market capitalization of the Trust.

WRIT's income from operations and funds from operations per share have increased for 30 consecutive years. WRIT concentrates on increasing its funds from operations to achieve its objective of paying increasing dividends to its shareholders. Consecutive quarterly dividends have been paid for 34 years, and the annual dividend paid has increased every year for the last 25 years.

The Trust has elected to be taxed as a real estate investment trust under the Internal Revenue Code. Real estate investment trusts which meet certain qualifications are relieved of federal income taxes on ordinary income and capital gains distributed to shareholders.

The Trust is a Maryland business trust, successor to a trust founded in 1960. The principal offices of the Trust are located at 10400 Connecticut Avenue, Kensington, Maryland 20895, telephone (301) 929-5900 or (800) 565-9748.

USE OF PROCEEDS

Unless otherwise specified in the applicable Prospectus Supplement, the Trust intends to use the net proceeds from the sale of Securities for general business purposes, including the acquisition and/or renovation, expansion or improvement of income-producing properties or the repayment of indebtedness drawn under the Trust's lines of credit. It is expected that properties purchased in the future will be of the same general character as those presently held by the Trust. Pending such uses, the net proceeds may be invested in short-term income producing investments such as commercial paper, government securities or money market funds that invest in government securities.

RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth the Trust's ratios of earnings to fixed charges for the periods shown:

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,				
THREE MONTHS ENDED MARCH 31,					
1996	1995	1994	1993	1992	1991
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
11.54x	12.95x	38.65x	366.95x	45.13x	17.94x

</TABLE>

The ratios of earnings to fixed charges were computed by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations and fixed charges. Fixed charges consist of interest expense (including interest costs capitalized) and the amortization of debt issuance costs.

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#### DESCRIPTION OF SECURITIES

##### GENERAL

The Securities will be direct unsecured obligations of the Trust and will rank equally with all other unsecured and unsubordinated indebtedness of the Trust. The Securities will be issued under an indenture (the "Indenture") between the Trust and The First National Bank of Chicago, as trustee (the "Indenture Trustee"). A form of the Indenture has been filed as an exhibit to the Registration Statement to which this Prospectus is a part and is available for inspection at the corporate trust office of the Indenture Trustee at 14 Wall Street, Eighth Floor, New York, New York 10005. The Indenture will be subject to and governed by the Trust Indenture Act of 1939, as amended (the "TIA"). The statements made under this heading relating to the Securities and the Indenture are summaries of the provisions thereof and do not purport to be complete and are qualified in their entirety by reference to the Indenture and such Securities. All Section references herein are to sections of the Indenture, and capitalized terms used but not defined herein shall have the respective meanings set forth in the Indenture.

##### TERMS

Except as set forth in any Prospectus Supplement, the Securities may be issued without limit as to aggregate principal amount, in one or more series, in each case as established from time to time by the Trust or as established in the Indenture or in one or more indentures supplemental to such Indenture. All Securities of one series need not be issued at the same time and, unless otherwise provided, a series may be reopened, without the consent of the holders of the Securities of such series, for issuances of additional Securities of such series (Section 301).

The Indenture provides that there may be more than one Indenture Trustee thereunder, each with respect to one or more series of Securities. Any Indenture Trustee under the Indenture may resign or be removed with respect to one or more series of Securities, and a successor Indenture Trustee may be appointed to act with respect to such series (Section 608). In the event that two or more persons are acting as Indenture Trustee with respect to different series of Securities, each such Indenture Trustee shall be an Indenture Trustee of a trust under the Indenture separate and apart from the trust administered by any other Indenture Trustee (Section 609), and, except as otherwise indicated herein, any action described herein to be taken by an Indenture Trustee may be taken by each such Indenture Trustee with respect to, and only with respect to, the one or more series of Securities for which it is Indenture Trustee under the Indenture.

The Prospectus Supplement relating to the series of Securities being offered will contain the specific terms thereof, including:

- (1) The title of such Securities;
- (2) The aggregate principal amount of such Securities and any limit on such aggregate principal amount;
- (3) The percentage of the principal amount at which such Securities will be issued and, if other than the principal amount thereof, the portion of the principal amount thereof payable upon declaration of acceleration of the maturity thereof, or the method by which any such portion shall be determined;
- (4) The date or dates, or the method for determining such date or dates, on which the principal of such Securities will be payable;
- (5) The rate or rates (which may be fixed or variable), or the method by which such rate or rates shall be determined, at which such Securities will bear interest, if any;
- (6) The date or dates, or the method for determining such date or dates, from which any such interest will accrue, the dates on which any such interest will be payable, the record dates for such interest payment dates, or the method by which such dates shall be determined, the persons to whom such

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interest shall be payable, and the basis upon which interest shall be calculated if other than that of a 360-day year of twelve 30-day

months;

- (7) The place or places where the principal of (and premium, if any) and interest, if any, on such Securities will be payable, where such Securities may be surrendered for registration of transfer or exchange and where notices or demands to or upon the Trust in respect of such Securities and the Indenture may be served;
- (8) The period or periods within which, the price or prices at which and the other terms and conditions upon which such Securities may be redeemed, as a whole or in part, at the option of the Trust, if the Trust is to have such an option;
- (9) The obligation, if any, of the Trust to redeem, repay or purchase such Securities pursuant to any sinking fund or analogous provision or at the option of a holder thereof, and the period or periods within which, the price or prices at which and the other terms and conditions upon which such Securities will be redeemed, repaid or purchased, as a whole or in part, pursuant to such obligation;
- (10) If other than U.S. dollars, the currency or currencies in which such Securities are denominated and payable, which may be a foreign currency or units of two or more foreign currencies or a composite currency or currencies, and the terms and conditions relating thereto;
- (11) Whether the amount of payments of principal of (and premium, if any) or interest, if any, on such Securities may be determined with reference to an index, formula or other method (which index, formula or method may, but need not be, based on a currency, currencies, currency unit or units or composite currency or currencies) and the manner in which such amounts shall be determined;
- (12) The events of default or covenants of such Securities, to the extent different from those described herein;
- (13) Whether such Securities will be issued in certificated or book-entry form;
- (14) Whether such Securities will be in registered or bearer form and, if in registered form, the denominations thereof if other than \$1,000 and any integral multiple thereof and, if in bearer form, the denominations thereof and terms and conditions relating thereto;
- (15) The applicability, if any, of the defeasance and covenant defeasance provisions described herein, or any modification thereof;
- (16) Whether and under what circumstances the Trust will pay any additional amounts on such Securities in respect of any tax, assessment or governmental charge and, if so, whether the Trust will have the option to redeem such Securities in lieu of making such payment; and
- (17) Any other terms of such Securities.

The Securities may provide for less than the entire principal amount thereof to be payable upon declaration of acceleration of the maturity thereof ("Original Issue Discount Securities"). Special U.S. federal income tax, accounting and other considerations applicable to Original Issue Discount Securities will be described in the applicable Prospectus Supplement.

Except as may be set forth in any Prospectus Supplement, the Securities will not contain any provisions that would limit the ability of the Trust to incur indebtedness or that would afford holders of Securities protection in the event of a highly leveraged or similar transaction involving the Trust or in the event of a change of control. Reference is made to the applicable Prospectus Supplement for information with respect to any deletions from, modifications of, or additions to, the events of default or covenants of the Trust that are described below, including any addition of a covenant or other provision providing event risk or similar protection.

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#### DENOMINATION, INTEREST, REGISTRATION AND TRANSFER

Unless otherwise described in the applicable Prospectus Supplement, the Securities of any series will be issuable in denominations of \$1,000 and integral multiples thereof (Section 302).

Unless otherwise specified in the applicable Prospectus Supplement, the principal of (and applicable premium, if any) and interest on any series of Securities will be payable at the corporate trust office of the Indenture Trustee, which initially shall be c/o First Chicago Trust Company of New York, 14 Wall Street, Eighth Floor, New York, New York 10005; provided that, at the option of the Trust, payment of interest may be made by check mailed to the address of the person entitled thereto as it appears in the applicable register for such Securities or by wire transfer of funds to such person at an account

maintained within the United States (Sections 301, 307 and 1002).

Any interest not punctually paid or duly provided for on any interest payment date with respect to a Security ("Defaulted Interest") will forthwith cease to be payable to the holder on the applicable Regular Record Date and may either be paid to the Person in whose name such Security is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Indenture Trustee, notice whereof shall be given to the holder of such Security not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more completely described in the Indenture (Section 307).

Subject to certain limitations imposed upon Securities issued in book-entry form, the Securities of any series will be exchangeable for other Securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations upon surrender of such Securities at the corporate trust office of the Indenture Trustee referred to above. In addition, subject to certain limitations imposed upon Securities issued in book-entry form, the Securities of any series may be surrendered for registration of transfer or exchange thereof at the corporate trust office of the Indenture Trustee. Every Security surrendered for registration of transfer or exchange must be duly endorsed or accompanied by a written instrument of transfer. No service charge will be made for any registration of transfer or exchange of any Securities, but the Trust may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (Section 305). If the applicable Prospectus Supplement refers to any transfer agent (in addition to the Indenture Trustee) initially designated by the Trust with respect to any series of Securities, the Trust may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that the Trust will be required to maintain a transfer agent in each place of payment for such series. The Trust may at any time designate additional transfer agents with respect to any series of Securities (Section 1002).

Neither the Trust nor the Indenture Trustee shall be required to (i) issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending at the close of business on the day of mailing of the relevant notice of redemption; (ii) register the transfer of or exchange any Security, or portion thereof, called for redemption, except the unredeemed portion of any Security being redeemed in part; or (iii) issue, register the transfer of or exchange any Security that has been surrendered for repayment at the option of the holder, except the portion, if any, of such Security not to be so repaid (Section 305).

#### MERGER, CONSOLIDATION OR SALE

The Trust will be permitted to consolidate with, or sell, lease or convey all or substantially all of its assets to, or merge with or into, any other entity provided that (a) either the Trust shall be the continuing entity, or the successor entity (if other than the Trust) formed by or resulting from any such consolidation or merger or which shall have received the transfer of such assets shall expressly assume payment of the principal of (and premium, if any) and interest on all of the Securities and the due and punctual performance and observance of all of the covenants and conditions contained in the Indenture; (b) immediately after giving effect to such transaction and treating any indebtedness that becomes an obligation of the Trust or any Subsidiary as a result thereof as having been incurred by the Trust or such Subsidiary at the time of such transaction, no Event of Default under the Indenture, and no event which, after notice or the lapse of time, or both, would become

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such an Event of Default, shall have occurred and be continuing; and (c) an officer's certificate and legal opinion covering such conditions shall be delivered to the Indenture Trustee (Sections 801 and 803).

#### CERTAIN COVENANTS

Limitations on Incurrence of Debt. The Indenture provides that the Trust will not, and will not permit any Subsidiary to, incur any Debt (as defined below) if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Trust and its Subsidiaries on a consolidated basis determined in accordance with generally accepted accounting principles is greater than 60% of the sum of (without duplication) (i) the Trust's Total Assets as of the end of the calendar quarter covered in the Trust's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission (or, if such filing is not permitted under the Exchange Act, with the Indenture Trustee) prior to the incurrence of such additional Debt and (ii) any increase in the Trust's Total Assets since the end of such quarter including, without limitation, any increase in Total Assets resulting from the incurrence of such additional Debt (such increase together with the Trust's Total Assets being referred to as "Adjusted Total Assets") (Section 1011).

In addition to the foregoing limitation on the incurrence of Debt, the Indenture provides that the Trust will not, and will not permit any Subsidiary to, incur any Debt secured by any mortgage, lien, charge, pledge, encumbrance or security interest of any kind upon any of the property of the Trust or any Subsidiary ("Secured Debt"), whether owned at the date of the Indenture or thereafter acquired, if, immediately after giving effect to the incurrence of such additional Secured Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Secured Debt of the Trust and its Subsidiaries on a consolidated basis is greater than 40% of the Trust's Adjusted Total Assets (Section 1011).

In addition to the foregoing limitations on the incurrence of Debt, the Indenture provides that the Trust will not, and will not permit any Subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service (as defined below) to the Annual Service Charge (as defined below) for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5 to 1.0, on a pro forma basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the assumption that (i) such Debt and any other Debt incurred by the Trust and its Subsidiaries since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period; (ii) the repayment or retirement of any other Debt by the Trust and its Subsidiaries since the first day of such four-quarter period had been incurred, repaid or retired at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period); (iii) in the case of Acquired Debt (as defined below) or Debt incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and (iv) in the case of any acquisition or disposition by the Trust or its Subsidiaries of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation (Section 1011).

For purposes of the foregoing provisions regarding the limitation on the incurrence of Debt, Debt shall be deemed to be "incurred" by the Trust or a Subsidiary whenever the Trust or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.

Maintenance of Total Unencumbered Assets. The Trust is required to maintain Total Unencumbered Assets (as defined below) of not less than 150% of the aggregate outstanding principal amount of the Unsecured Debt (as defined below) of the Trust (Section 1012).

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As used herein:

"Acquired Debt" means Debt of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Debt incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Debt shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

"Annual Service Charge" as of any date means the maximum amount which is payable in any period for interest on, and original issue discount of, Debt of the Trust and its Subsidiaries.

"Capital Stock" means, with respect to any Person, any capital stock (including preferred stock), shares, interests, participations or other ownership interests (however designated) of such Person and any rights (other than debt securities convertible into or exchangeable for corporate stock), warrants or options to purchase any thereof.

"Consolidated Income Available for Debt Service" for any period means Consolidated Net Income (as defined below) of the Trust and its Subsidiaries (i) plus amounts which have been deducted for (a) interest on Debt of the Trust and its Subsidiaries, (b) provision for taxes of the Trust and its Subsidiaries based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Consolidated Net Income for such period, (f) amortization of deferred charges and (g) provision for or realized losses on properties and (ii) less amounts which have been included for gains on properties.

"Consolidated Net Income" for any period means the amount of consolidated net income (or loss) of the Trust and its Subsidiaries for such period

determined on a consolidated basis in accordance with generally accepted accounting principles.

"Debt" of the Trust or any Subsidiary means any indebtedness of the Trust or any Subsidiary, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any mortgage, pledge, lien, charge, encumbrance or any security interest existing on property owned by the Trust or any Subsidiary, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement, (iv) the principal amount of all obligations of the Trust or any Subsidiary with respect to redemption, repayment or other repurchase of any Disqualified Stock, or (v) any lease of property by the Trust or any Subsidiary as lessee which is reflected in the Trust's consolidated balance sheet as a capitalized lease in accordance with generally accepted accounting principles to the extent, in the case of items of indebtedness under (i) through (iii) above, that any such items (other than letters of credit) would appear as a liability on the Trust's consolidated balance sheet in accordance with generally accepted accounting principles, and also includes, to the extent not otherwise included, any obligation by the Trust or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person (other than the Trust or any Subsidiary).

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, (ii) is convertible into or exchangeable or exercisable for Debt or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the Stated Maturity of the series of Debt Securities.

"Encumbrance" means any mortgage, security interest, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other) or preference, priority or other security agreement, except: (i) liens for taxes (a) which are not yet delinquent, (b) which are not in an aggregate amount, as to the Trust and all Subsidiaries, of greater than 10% of Total Assets or (c) which are being contested in good faith by all appropriate proceedings, provided that adequate reserves with respect thereto are maintained on

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the books of the Trust or its Subsidiaries, as the case may be, in conformity with GAAP; (ii) carriers, warehousemen's, mechanic's, materialmen's, repairmen's or other like liens (a) which are not in an aggregate amount, as to the Trust and all Subsidiaries, of greater than 10% of Total Assets, (b) which do not remain unsatisfied or undischarged for a period of more than 90 days or (c) which are being contested in good faith by all appropriate proceedings; (iii) pledges or deposits in connection with workers compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self-insurance arrangements; (iv) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; and (v) easements, rights of way, restrictions, development orders, plats and other similar encumbrances.

"Subsidiary" means a corporation, partnership or limited liability company, a majority of the outstanding voting stock, partnership interests or membership interests, as the case may be, of which is owned or controlled, directly or indirectly, by the Trust or by one or more other Subsidiaries of the Trust. For the purposes of this definition, "voting stock" means stock having voting power for the election of directors, or trustees, as the case may be, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Total Assets" as of any date means the sum of (i) the Undepreciated Real Estate Assets and (ii) all other assets of the Trust and its Subsidiaries determined in accordance with generally accepted accounting principles (but excluding accounts receivable and intangibles).

"Total Unencumbered Assets" means the sum of (i) those Undepreciated Real Estate Assets not subject to an Encumbrance and (ii) all other assets of the Trust and its Subsidiaries not subject to an Encumbrance determined in accordance with generally accepted accounting principles (but excluding accounts receivable and intangibles).

"Undepreciated Real Estate Assets" as of any date means the cost (original cost plus capital improvements) of real estate assets of the Trust and its Subsidiaries on such date, before depreciation and amortization, determined on a



consolidated basis in accordance with generally accepted accounting principles.

"Unsecured Debt" means Debt of the Trust or any Subsidiary which is not secured by any mortgage, lien, charge, pledge or security interest of any kind upon any of the properties owned by the Trust or any of its Subsidiaries.

Existence. Except as permitted under "-- Merger, Consolidation or Sale," the Trust will be required to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; provided, however, that the Trust shall not be required to preserve any right or franchise if it determines that the preservation thereof is no longer desirable in the conduct of its business (Section 1004).

Maintenance of Properties. The Trust will be required to cause all of its material properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Trust may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times (Section 1005).

Insurance. The Trust will be required to, and will be required to cause each of its Subsidiaries to, keep all of its insurable properties insured against loss or damage at least equal to their then full insurable value with insurers of recognized responsibility and, if described in the applicable Prospectus Supplement, having a specified rating from a recognized insurance rating service (Section 1006).

Payment of Taxes and Other Claims. The Trust will be required to pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon it or any Subsidiary or upon the income, profits or property of the Trust or any Subsidiary, and (ii) all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a material lien upon the property of the Trust or any Subsidiary; provided, however, that the Trust shall not be

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required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith (Section 1007).

Provision of Financial Information. Whether or not the Trust is subject to Section 13 or 15(d) of the Exchange Act, the Trust will be required, within 15 days of each of the respective dates by which the Trust would have been required to file annual reports, quarterly reports and other documents with the Commission if the Trust were so subject, to (i) transmit by mail to all holders of Securities, as their names and addresses appear in the applicable register for such Securities, without cost to such holders, copies of the annual reports, quarterly reports and other documents that the Trust would have been required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Trust were subject to such sections, (ii) file with the Indenture Trustee copies of the annual reports, quarterly reports and other documents that the Trust would have been required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Trust were subject to such Sections, and (iii) promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective holder (Section 1008).

Additional Covenants. Any additional covenants of the Trust with respect to any series of Securities will be set forth in the Prospectus Supplement relating thereto.

#### EVENTS OF DEFAULT, NOTICE AND WAIVER

The Indenture provides that the following events are "Events of Default" with respect to any series of Securities issued thereunder: (a) default for 30 days in the payment of any installment of interest on any Security of such series; (b) default in the payment of principal of (or premium, if any, on) any Security of such series at its maturity; (c) default in making any sinking fund payment as required for any Security of such series; (d) default in the performance or breach of any other covenant or warranty of the Trust contained in the Indenture (other than a covenant added to the Indenture solely for the benefit of a series of Securities issued thereunder other than such series), continued for 60 days after written notice as provided in the Indenture; (e) a default under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Trust (including obligations under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles but not including any indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of \$5,000,000 or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Trust (including such leases, but not

including such indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of \$5,000,000, whether such indebtedness now exists or shall hereafter be created which default shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable or such obligations being accelerated, without such acceleration having been rescinded or annulled; (f) certain events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of the Trust or any Significant Subsidiary of the Trust; and (g) any other event of default provided with respect to a particular series of Securities (Section 501). The term "Significant Subsidiary" means each significant subsidiary (as defined in Regulation S-X promulgated under the Securities Act) of the Trust.

If an Event of Default under the Indenture with respect to Securities of any series at the time outstanding occurs and is continuing, then in every such case the Indenture Trustee or the holders of not less than 25% in principal amount of the outstanding Securities of that series will have the right to declare the principal amount (or, if the Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms thereof) of all the Securities of that series to be due and payable immediately by written notice thereof to the Trust (and to the Indenture Trustee if given by the holders). However, at any time after such a declaration of acceleration with respect to Securities of such series (or of all Securities then outstanding under any Indenture, as the case may be) has been made, but before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee, the holders of not less than a majority in principal amount of outstanding Securities of such series (or of all Securities then outstanding under the Indenture, as the case may be) may rescind and annul such declaration and its consequences if (a) the Trust shall have deposited with the Indenture Trustee all required payments of

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the principal of (and premium, if any) and interest on the Securities of such series (or of all Securities then outstanding under the Indenture, as the case may be), plus certain fees, expenses, disbursements and advances of the Indenture Trustee and (b) all Events of Default, other than the non-payment of accelerated principal (or specified portion thereof), with respect to Securities of such series (or of all Securities then outstanding under the Indenture, as the case may be) have been cured or waived as provided in the Indenture (Section 502). The Indenture also provides that the holders of not less than a majority in principal amount of the outstanding Securities of any series (or of all Securities then outstanding under the Indenture, as the case may be) may waive any past default with respect to such series and its consequences, except a default (x) in the payment of the principal of (or premium, if any) or interest on any Security of such series or (y) in respect of a covenant or provision contained in the Indenture that cannot be modified or amended without the consent of the holder of each outstanding Security affected thereby (Section 513).

The Indenture Trustee will be required to give notice to the holders of Securities within 90 days of a default under the Indenture unless such default shall have been cured or waived; provided, however, that such Indenture Trustee may withhold notice to the holders of any series of Securities of any default with respect to such series (except a default in the payment of the principal of (or premium, if any) or interest on any Security of such series or in the payment of any sinking fund installment in respect of any Security of such series) if specified responsible officers of such Indenture Trustee consider such withholding to be in the interest of such holders (Section 601).

The Indenture provides that no holders of Securities of any series may institute any proceedings, judicial or otherwise, with respect to such Indenture or for any remedy thereunder, except in the cases of failure of the Indenture Trustee, for 60 days, to act after it has received a written request to institute proceedings in respect of an event of default from the holders of not less than 25% in principal amount of the outstanding Securities of such series, as well as an offer of indemnity reasonably satisfactory to it (Section 507). This provision will not prevent, however, any holder of Securities from instituting suit for the enforcement of payment of the principal of (and premium, if any) and interest on such Securities at the respective due dates thereof.

Subject to provisions in the Indenture relating to its duties in case of default, the Indenture Trustee will not be under any obligation to exercise any of its rights or powers under the Indenture at the request or direction of any holders of any series of Securities then outstanding under such Indenture, unless such holders shall have offered to the Indenture Trustee thereunder reasonable security or indemnity (Section 602). The holders of not less than a majority in principal amount of the outstanding Securities of any series (or of all Securities then outstanding under the Indenture, as the case may be) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or of exercising any trust or power conferred upon such Indenture Trustee. However, an Indenture Trustee may refuse to follow any direction which is in conflict with any law or the Indenture, which may involve the Indenture Trustee in personal liability or

which may be unduly prejudicial to the holders of Securities of such series not joining therein (Section 512).

Within 120 days after the close of each fiscal year, the Trust will be required to deliver to the Indenture Trustee a certificate, signed by one of several specified officers of the Trust, stating whether or not such officer has knowledge of any default under the Indenture and, if so, specifying each such default and the nature and status thereof (Section 1009).

#### MODIFICATION OF THE INDENTURE

Modifications and amendments of the Indenture will be permitted to be made only with the consent of the holders of not less than a majority in principal amount of all outstanding Securities issued under the Indenture which are affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the holder of each such Security affected thereby, (a) change the stated maturity of the principal of, or any installment of interest (or premium, if any) on, any such Security; (b) reduce the principal amount of, or the rate or amount of interest on, or any premium payable on redemption of, any such Security, or reduce the amount of principal of an Original Issue Discount Security that would be due and payable upon declaration of acceleration of the maturity thereof or would be

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provable in bankruptcy, or adversely affect any right of repayment of the holder of any such Security; (c) change the place of payment, or the coin or currency, for payment of principal of, premium, if any, or interest on any such Security; (d) impair the right to institute suit for the enforcement of any payment on or with respect to any such Security; (e) reduce the above-stated percentage of outstanding Securities of any series necessary to modify or amend the Indenture, to waive compliance with certain provisions thereof or certain defaults and consequences thereunder or to reduce the quorum or voting requirements set forth in the Indenture; or (f) modify any of the foregoing provisions or any of the provisions relating to the waiver of certain past defaults or certain covenants, except to increase the required percentage to effect such action or to provide that certain other provisions may not be modified or waived without the consent of the holder of such Security (Section 902).

The holders of not less than a majority in principal amount of outstanding Securities issued under the Indenture will have the right to waive compliance by the Trust with certain covenants in the Indenture (Section 1013).

Modifications and amendments of the Indenture will be permitted to be made by the Trust and the Indenture Trustee thereunder without the consent of any holder of Securities for any of the following purposes: (i) to evidence the succession of another person to the Trust as obligor under the Indenture; (ii) to add to the covenants of the Trust for the benefit of the holders of all or any series of Securities or to surrender any right or power conferred upon the Trust in the Indenture; (iii) to add events of default for the benefit of the holders of all or any series of Securities; (iv) to add or change any provisions of the Indenture to facilitate the issuance of, or to liberalize certain terms of, Securities in bearer form, or to permit or facilitate the issuance of Securities in uncertificated form, provided that such action shall not adversely affect the interests of the holders of the Securities of any series in any material aspect; (v) to change or eliminate any provisions of the Indenture, provided that any such change or elimination shall become effective only when there are no Securities outstanding of any series created prior thereto which are entitled to the benefit of such provision; (vi) to secure the Securities; (vii) to establish the form or terms of Securities of any series; (viii) to provide for the acceptance of appointment by a successor Indenture Trustee or facilitate the administration of the trusts under the Indenture by more than one Indenture Trustee; (ix) to cure any ambiguity, defect or inconsistency in the Indenture, provided that such action shall not adversely affect the interests of holders of Securities of any series issued under such Indenture in any material respect; or (x) to supplement any of the provisions of the Indenture to the extent necessary to permit or facilitate defeasance and discharge of any series of such Securities, provided that such action shall not adversely affect the interests of the holders of the Securities of any series in any material respect (Section 901).

The Indenture will provide that in determining whether the holders of the requisite principal amount of outstanding Securities of a series have given any request, demand, authorization, direction, notice, consent or waiver thereunder or whether a quorum is present at a meeting of holders of Securities, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon declaration of acceleration of the maturity thereof, (ii) the principal amount of any Security denominated in a foreign currency that shall be deemed outstanding shall be the U.S. dollar equivalent, determined on the issue date for such Security, of the principal amount (or, in the case of Original Issue Discount Security, the U.S. dollar equivalent on the issue date of such Security of the amount determined as provided in (i) above), (iii) the principal amount of an Indexed Security that shall be deemed outstanding shall be the principal face amount of such Indexed

Security at original issuance, unless otherwise provided with respect to such indexed security pursuant to Section 301 of the Indenture, and (iv) Securities owned by the Trust or any other obligor upon the Securities or any affiliate of the Trust or of such other obligor shall be disregarded (Section 101).

The Indenture contains provisions for convening meetings of the holders of Securities of a series (Section 1501). A meeting will be permitted to be called at any time by the Indenture Trustee, and also, upon request, by the Trust or the holders of at least 10% in principal amount of the outstanding Securities of such series, in any such case upon notice given as provided in the Indenture (Section 1502). Except for any consent that must be given by the holder of each Security affected by certain modifications and amendments of the Indenture, any resolution presented at a meeting or adjourned meeting duly reconvened at which a quorum is

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present may be adopted by the affirmative vote of the holders of a majority in principal amount of the outstanding Securities of that series; provided, however, that, except as referred to above, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action that may be made, given or taken by the holders of a specified percentage, which is less than a majority, in principal amount of the outstanding Securities of a series may be adopted at a meeting or adjourned meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the holders of such specified percentage in principal amount of the outstanding Securities of that series. Any resolution passed or decision taken at any meeting of holders of Securities of any series duly held in accordance with the Indenture will be binding on all holders of Securities of that series. The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in principal amount of the outstanding Securities of a series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which may be given by the holders of not less than a specified percentage in principal amount of the outstanding Securities of a series, the persons holding or representing such specified percentage in principal amount of the outstanding Securities of such series will constitute a quorum (Section 1504).

Notwithstanding the foregoing provisions, the Indenture provides that if any action is to be taken at a meeting of holders of Securities of any series with respect to any request, demand, authorization, direction, notice, consent, waiver and other action that the Indenture expressly provides may be made, given or taken by the holders of a specified percentage in principal amount of all outstanding Securities affected thereby, or of the holders of such series and one or more additional series: (i) there shall be no minimum quorum requirement for such meeting, and (ii) the principal amount of the outstanding Securities of such series that vote in favor of such request, demand, authorization, direction, notice, consent, waiver or other action shall be taken into account in determining whether such request, demand, authorization, direction, notice, consent, waiver or other action has been made, given or taken under the Indenture (Section 1504).

#### DISCHARGE, DEFEASANCE AND COVENANT DEFEASANCE

The Trust may be permitted under the Indenture to discharge certain obligations to holders of any series of Securities issued thereunder that have not already been delivered to the Indenture Trustee for cancellation and that either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by irrevocably depositing with the Indenture Trustee, in trust, funds in such currency in which such Securities are payable in an amount sufficient to pay the entire indebtedness on such Securities in respect of principal (and premium, if any) and interest to the date of such deposit (if such Securities have become due and payable) or to the stated maturity or redemption date, as the case may be (Section 401).

The Indenture provides that, if the provisions of Article Fourteen are made applicable to the Securities of or within any series pursuant to Section 301 of the Indenture, the Trust may elect either (a) to defease and be discharged from any and all obligations with respect to such Securities (except for the obligation to pay additional amounts, if any, upon the occurrence of certain events of tax, assessment or governmental charge with respect to payments on such Securities and the obligations to register the transfer or exchange of such Securities, to replace temporary or mutilated, destroyed, lost or stolen Securities, to maintain an office or agency in respect of such Securities and to hold moneys for payment in trust) ("defeasance") (Section 1402) or (b) to be released from its obligations with respect to such Securities under Sections 1004 to 1008, inclusive, and Sections 1011 and 1012 under the Indenture (being the restrictions described under "-- Certain Covenants") or, if provided pursuant to the Indenture, its obligations with respect to any other covenant, and any omission to comply with such obligations shall not constitute an event of default with respect to such Securities ("covenant defeasance") (Section 1403), in either case upon the irrevocable deposit by the Trust with the Indenture Trustee, in trust, of an amount, in such currency in which such Securities are payable at stated maturity, or Government Obligations (as defined below), or both, applicable to such Securities which through the scheduled

payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest on such Securities, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor (Section 1404).

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Such a trust will only be permitted to be established if, among other things, the Trust has delivered to the Indenture Trustee an opinion of counsel (as specified in the Indenture) to the effect that the holders of such Securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such opinion of counsel, in the case of defeasance, will be required to refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the Indenture (Section 1404).

"Government Obligations" means securities which are (i) direct obligations of the United States of America or the government which issued the foreign currency in which the Securities of a particular series are payable for the payment of which its full faith and credit is pledged or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America or the government which issued the foreign currency in which the Securities of a particular series are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount receiving by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt (Section 101).

Unless otherwise provided in the applicable Prospectus Supplement, if after the Trust has deposited funds and/or Government Obligations to effect defeasance or covenant defeasance with respect to Securities of any series, (a) the holder of a Security of such series is entitled to, and does, elect pursuant to Section 301 of the Indenture or the terms of such Security to receive payment in a currency, currency unit or composite currency other than that in which such deposit has been made in respect of such Security, or (b) a Conversion Event (as defined below) occurs in respect of the currency, currency unit or composite currency in which such deposit has been made, the indebtedness represented by such Security shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of (and premium, if any) and interest on such Security as they become due out of the proceeds yielded by converting the amount so deposited in respect of such Security into the currency, currency unit or composite currency in which such Security becomes payable as a result of such election or such cessation of usage based on the applicable market exchange rate (Section 1405). "Conversion Event" means the cessation of use of (i) a currency, currency unit or composite currency both by the government of the country which issued such currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community, (ii) the ECU both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities or (iii) any currency unit or composite currency other than the ECU for the purposes for which it was established. Unless otherwise provided in the applicable Prospectus Supplement, all payments of principal of (and premium, if any) and interest on any Security that is payable in a foreign currency that ceases to be used by its government of issuance shall be in U.S. dollars (Section 101).

In the event the Trust effects covenant defeasance with respect to any Securities and such Securities are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (d) under "Events of Default, Notice and Waiver" with respect to Sections 1004 to 1008, inclusive, and Sections 1011 and 1012 of the Indenture (which sections would no longer be applicable to such Securities) or described in clause (g) under "Events of Default, Notice and Waiver" with respect to any other covenant as to which there has been covenant defeasance, the amount in such currency in which such Securities are payable, and Government Obligations on deposit with the Indenture Trustee, will be sufficient to pay amounts due on such Securities at the time of their stated maturity but may not be sufficient to pay amounts due on such Securities at the time of the acceleration resulting from such event of default. However, the Trust would remain liable to make payment of such amounts due at the time of acceleration.

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The applicable Prospectus Supplement may further describe the provisions,

if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above, with respect to the Securities of or within a particular series.

#### GLOBAL SECURITIES

The Securities of a series may be issued in whole or in part in the form of one or more global securities (the "Global Securities") that will be deposited with, or on behalf of, a depository identified in the applicable Prospectus Supplement relating to such series. Global Securities may be issued in either registered or bearer form and in either temporary or permanent form. The specific terms of the depository arrangement with respect to a series of Securities will be described in the applicable Prospectus Supplement relating to such series.

#### PLAN OF DISTRIBUTION

The Trust may sell Securities to or through underwriters, and also may sell Securities directly to other purchasers or through agents.

The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

In connection with the sale of Securities, underwriters may receive compensation from the Trust or from purchasers of Securities, for whom they may act as agents, in the form of discounts, concessions, or commissions. Underwriters may sell Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions, or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers, and agents that participate in the distribution of Securities may be deemed to be underwriters, and any discounts or commissions they receive from the Trust, and any profit on the resale of Securities they realize may be deemed to be underwriting discounts and commissions, under the Securities Act. Any such underwriter or agent will be identified, and any such compensation received from the Trust will be described, in the Prospectus Supplement.

Unless otherwise specified in the related Prospectus Supplement, each series of Securities will be a new issue with no established trading market. The Trust may elect to list any series of Securities on an exchange, but is not obligated to do so. It is possible that one or more underwriters may make a market in a series of Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. Therefore, no assurance can be given as to the liquidity of the trading market for the Securities.

Under agreements the Trust may enter into, underwriters, dealers, and agents who participate in the distribution of Securities may be entitled to indemnification by the Trust against certain liabilities, including liabilities under the Securities Act.

Underwriters, dealers and agents may engage in transactions with, or perform services for, or be customers of, the Trust in the ordinary course of business.

#### LEGAL OPINIONS

The legality of the Securities offered hereby is being passed upon for the Trust by Arent Fox Kintner Plotkin & Kahn, Washington, D.C. David M. Osnos, a trustee of the Trust, is a partner of Arent Fox Kintner Plotkin & Kahn. Andrews & Kurth L.L.P., Washington, D.C., will act as counsel to any underwriters, dealers or agents.

#### EXPERTS

The financial statements incorporated in this Prospectus by reference to the Trust's Annual Report on Form 10-K for the year ended December 31, 1995 have been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

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NO DEALER, SALESMAN OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFERING MADE BY THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE TRUST OR THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY

SALE MADE HEREUNDER AND THEREUNDER SHALL, UNDER ANY CIRCUMSTANCE, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS SUPPLEMENT OR IN THE PROSPECTUS OR IN THE AFFAIRS OF THE TRUST SINCE THE DATE HEREOF. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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[WRIT LOGO]

WASHINGTON REAL ESTATE  
 INVESTMENT TRUST

\$50,000,000  
 7 1/8% SENIOR NOTES  
 DUE AUGUST 13, 2003

\$50,000,000  
 7 1/4% SENIOR NOTES  
 DUE AUGUST 13, 2006

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 PROSPECTUS SUPPLEMENT

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 MERRILL LYNCH & CO.

ALEX. BROWN & SONS  
 INCORPORATED  
 AUGUST 8, 1996

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