SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

OR

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

FOR QUARTER ENDED JUNE 30, 1998 COMMISSION FILE NO. 1-6622

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

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MARYLAND	53-0261100
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

</TABLE>

10400 CONNECTICUT AVENUE, KENSINGTON, MARYLAND 20895
(Address of principal executive office) (Zip code)

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

(Former name, former address and former fiscal year, if changed since last report)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the close of the period covered by this report.

SHARES OF BENEFICIAL INTEREST 35,692,042

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or such shorter period that the Registrant was required to file such report) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES X NO ____

WASHINGTON REAL ESTATE INVESTMENT TRUST

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Part I

FINANCIAL INFORMATION

The information furnished in the accompanying Balance Sheets, Statements of Income, Statements of Cash Flows and Statement of Changes in Shareholders' Equity reflect all adjustments, consisting of normal recurring items, which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and of cash flows for the interim periods. The accompanying financial statements and notes thereto should be read in conjunction with the financial statements and notes for the three years ended December 31, 1997 included in the Trust's 1997 Form 10-K Report filed with the Securities and Exchange Commission.

PART I
ITEM I. FINANCIAL STATEMENTS

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED BALANCE SHEETS
(In Thousands, except per share amounts)

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	(Unaudited) June 30, 1998	December 31, 1997
<S><C>		
Assets		
Real estate at cost	$544,135	$504,315
Accumulated depreciation	(61,195)	(56,015)
Total investment in real estate	482,940	448,300
Cash and temporary investments	8,074	7,908
Rents and other receivables, net of allowance for doubtful accounts of $693 and $884, respectively	4,034	4,035
Prepaid expenses and other assets	14,818	8,328
	$509,866	$468,571
Liabilities		
Accounts payable and other liabilities	$12,471	$8,068
Tenant security deposits	3,690	3,089
Advance rents	2,283	2,615
Mortgage note payable	7,392	7,461
Lines of credit payable	17,000	95,250
Notes payable	210,000	100,000
	252,836	216,483
Minority interest	1,504	-
Shareholders' Equity		
Shares of beneficial interest; $.01 par value; 100,000,000 shares authorized: 35,683,987 and 35,678,110 shares issued and outstanding at June 30, 1998 and December 31,		

1997, respectively	357	357
Additional paid-in capital	255,169	251,731
	255,526	252,088
	$509,866	$468,571

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, except per share amounts)
(Unaudited)

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	Three Months Ended June 30, 1998	1997	Six Months Ended June 30, 1998	1997
<S><C>				
Real estate rental revenue	$25,413	$19,104	$49,914	$37,602
Real estate expenses	(7,812)	(6,185)	(14,942)	(12,132)
	17,601	12,919	34,972	25,470
Depreciation and amortization	(3,743)	(2,557)	(7,383)	(4,987)
Income from real estate	13,858	10,362	27,589	20,483
Other income	316	157	547	227
Interest expense	(4,237)	(2,379)	(8,015)	(4,586)
General and administrative	(1,650)	(1,001)	(3,178)	(1,957)
Income before gain on sale of real estate	8,287	7,139	16,943	14,167
Gain on sale of real estate	64	-	5,926	-
Net Income	$8,351	$7,139	$22,869	$14,167
Per share information based on the weighted average number of shares outstanding				
Shares-- Basic	35,685,138	31,821,844	35,684,566	31,751,734
Shares-- Diluted	35,804,994	31,841,843	35,797,620	31,776,162
Net income per share-- Basic	$0.23	$0.22	$0.64	$0.45
Net income per share-- Diluted	$0.23	$0.22	$0.64	$0.45
Dividends paid	$0.28	$0.27	$0.55	$0.53

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

<TABLE>
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	(Unaudited) Six Months Ended June 30, 1998	1997
Cash Flow From Operating Activities		
Net income	$22,869	$14,167
Adjustments to reconcile net income to net cash provided by operating activities		
Gain on sale of real estate	(5,926)	-
Depreciation and amortization	7,383	4,987
Changes in other assets	388	(672)
Changes in other liabilities	4,675	723
Net cash provided by operating activities	29,389	19,205
Cash Flow From Investing Activities		
Capital improvements to real estate	(7,847)	(6,650)
Non-real estate capital improvements	(320)	(42)
Real estate acquisitions	(35,342)	(13,732)
Cash received for sale of real estate	9,239	-
Net cash used in investing activities	(34,270)	(20,424)
Cash Flow From Financing Activities		
Dividends paid	(19,626)	(16,869)
Net proceeds from debt offering	102,797	-
Borrowings - Lines of credit	17,000	18,000
Repayments - Lines of credit	(95,250)	-
Principal payments - Mortgage note payable	(69)	(63)
Share options exercised	195	372
Net cash provided by financing activities	5,047	1,440
Net increase (decrease) in cash and temporary investments	166	221
Cash and temporary investments at beginning of year	7,908	1,676
Cash and temporary investments at end of period	$8,074	$1,897
Supplemental disclosure of cash flow information:		
Cash paid during the first six months for interest	$4,690	$4,409

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1998
(Unaudited)
(In Thousands)

<TABLE>
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	Shares	Par Value	Additional Paid in Capital	Shareholders' Equity
Balance, December 31, 1997	35,678	$357	$251,731	$252,088
Net income			22,869	22,869

Dividends			(19,626)	(19,626)
Share Options Exercised	14	0	195	195
Balance, June 30, 1998	35,692	$357	$255,169	$255,526

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1998 (Unaudited)

NOTE 1: NATURE OF BUSINESS

Washington Real Estate Investment Trust ("WRIT" or the "Trust") is a self-administered qualified equity real estate investment trust, successor to a trust organized in 1960. The Trust's business consists of the ownership of income-producing real estate properties in the Mid-Atlantic Region.

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

In June 1996, WRIT changed its domicile from the District of Columbia to the State of Maryland. Issued and outstanding shares were assigned a par value of $.01 per share.

NOTE 2: ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although WRIT believes that the disclosures made are adequate to make the information presented not misleading.

In 1995 WRIT formed a subsidiary partnership, WRIT Limited Partnership, a Maryland limited partnership, in which WRIT currently owns 99.9% of the partnership interest. WRIT Limited Partnership's financial statements are consolidated with WRIT's financial statements. All significant intercompany balances and transactions have been eliminated. Minority Interests are included in other income (expense) and accounts payable and other liabilities on the accompanying consolidated statements.

NEW ACCOUNTING PRONOUNCEMENTS

In 1997, WRIT adopted the provisions of Statement of Financial Accounting Standards No. 131 "Disclosures about Segments of an Enterprise and other Related Information" ("SFAS No. 131"). SFAS No. 131 requires public companies to report financial information about operating segments. See Note 7 for WRIT's disclosure of certain operating information for each of its four property types: Office Buildings, Industrial Distribution Centers, Apartment Buildings and Shopping Centers.

In February 1998, SFAS No. 132 "Employers' Disclosure about Pension and Other Postretirement Benefits" ("SFAS No. 132") was issued. SFAS No. 132 revises employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of those plans. It standardizes the disclosure requirements for pensions and other postretirement benefits to the extent practicable, requires additional information on the changes in the benefit obligations and fair values of plan assets that will facilitate financial analysis, and eliminates certain disclosures previously required. SFAS No. 132 is effective for fiscal years beginning after December 31, 1997, and is not expected to have a material effect on WRIT's financial statements.

REVENUE RECOGNITION

Residential properties are leased under operating leases with terms of generally one year or less, and commercial properties are leased under operating leases with average terms of three to five years. WRIT recognizes rental income from its residential and commercial leases when earned and accounts for all rental abatements on a straight-line basis.

DEFERRED FINANCING COSTS

Costs associated with the issuance of notes payable are capitalized and amortized using the effective interest rate method over the term of the related notes.

REAL ESTATE AND DEPRECIATION

Buildings are depreciated on a straight-line basis over estimated useful lives not exceeding 50 years. Effective January 1, 1995, WRIT revised its estimate of useful lives for major capital improvements to real estate. All capital improvement expenditures associated with replacements, improvements, or major repairs to real property are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 30 years. All tenant improvements are amortized using the straight-line method over 5 years or the term of the lease if it differs significantly from 5 years. Capital improvements placed in service prior to January 1, 1995 will continue to be depreciated on a straight-line basis over their previously estimated useful lives not exceeding 30 years. Maintenance and repair costs are charged to expense as incurred.

WRIT recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the net undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. No such losses were recorded in the six months ended June 30, 1998.

CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments includes cash equivalents with original maturities of 90 days or less.

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 3: REAL ESTATE INVESTMENTS

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

	June 30, 1998 (In Thousands)
Office buildings	$274,230
Industrial distribution centers	94,060
Apartment buildings	81,279
Shopping centers	94,566
	$544,135

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Properties acquired by WRIT during the first six months of 1998 are as follows:

Acquisition Date	Property Name	Property Type	Rentable Square Feet	Acquisition Cost (in thousands)
May 22, 1998	Northern Virginia Industrial Park	Industrial	790,000	$30,350
June 23, 1998	800 South Washington Street	Retail	45,000	$6,100

NOTE 4: UNSECURED LINES OF CREDIT PAYABLE
As of June 30, 1998, WRIT had two unsecured credit commitments in the amount of $50 million and $25 million. $17 million was outstanding under the credit commitments as of June 30, 1998. Under the terms of the credit commitments, interest only is payable monthly, in arrears, on the unpaid principal balance. Amounts outstanding under the credit commitments and an unsecured bridge loan commitment (which expired in February 1998) during the six months ended June 30, 1998 bore interest at rates ranging from 6.39% to 8.50% per annum. All new advances will bear interest at LIBOR plus a spread based on WRIT's credit rating on its publicly issued debt. All unpaid interest and principal can be prepaid prior to the expiration of WRIT's interest rate lock-in periods subject to a yield maintenance obligation, and all unpaid principal and interest are due January 31, 1999.

The credit commitments require WRIT to pay the lenders unused commitment fees at the rate of 0.175% per annum on the amount by which the unused portion of the commitment exceeds the balance of outstanding advances and term loans. These fees are payable quarterly. At June 30, 1998, $58 million was available under the credit commitments. The credit commitments also contain certain financial covenants related to debt, net worth, and cash flow, and non-financial covenants which WRIT has met as of June 30, 1998.

NOTE 5: NOTES PAYABLE
On August 13, 1996 WRIT sold $50 million of 7.125% 7-year unsecured notes due August 13, 2003, and $50 million of 7.25% unsecured 10-year notes due August 13, 2006. The 7-year notes were sold at 99.107% of par and the 10-year notes were sold at 98.166% of par. Net proceeds to the Trust after deducting underwriting expenses were $97.6 million. The 7-year notes bear an effective interest rate of 7.46%, and the 10 year notes bear an effective interest rate of 7.49%, for a combined effective interest rate of 7.47%. WRIT used the proceeds of these notes to pay down its lines of credit and to finance acquisitions and capital improvements to its properties. These notes also contain certain financial and non-financial covenants which WRIT has met as of June 30, 1998.

On February 20, 1998, WRIT sold $50 million of 7.25% unsecured notes due February 25, 2028 at 98.653% to yield approximately 7.36%. WRIT also sold $60 million in unsecured Mandatory Par Put Remarketed Securities ("MOPPRS") at an effective borrowing rate through the remarketing date (February 2008) of approximately 6.74%. WRIT used the proceeds of these notes for general business purposes, including repayment of outstanding advances under its lines of credit and to finance acquisitions and capital improvements to its properties. WRIT's costs of the borrowings, including the settlement of certain interest rate lock agreements, of approximately $7.2 million will be amortized over the lives of the notes using the effective interest method.

NOTE 6: SALE OF REAL ESTATE
On March 23, 1998, WRIT sold the Shirley-395 Business Center. The property was sold for approximately $7.6 million in cash resulting in a gain of approximately $5.9 million. On May 7, 1998, WRIT sold the 5410 Port Royal Business Center. The property was sold for approximately $1.7 million in cash resulting in a $64,000 gain. WRIT used the proceeds from the sales to invest in other real estate (see Notes 3 and 7).

NOTE 7: SEGMENT INFORMATION
WRIT has four reportable segments: Office Buildings, Industrial Distribution Centers, Apartment Buildings and Shopping Centers. Office Buildings represent 49% of real estate rental revenue and provide office space for various types of

businesses. Industrial Distribution Centers represent 13% of real estate rental revenue and are used for warehousing and distribution. Apartment Buildings represent 20% of real estate rental revenue. These properties provide housing for families throughout the Washington Metropolitan area. Shopping Centers represent the remaining 17% of real estate rental revenue and are retail outlets for a variety of stores.

The accounting policies of the segments are the same as those described in Note 2. WRIT evaluates performance based upon operating income from the combined properties in each segment. WRIT's reportable segments are a consolidation of similar properties. They are managed separately because each segment requires different operating, pricing and leasing strategies. All of these properties have been acquired separately and are incorporated into the applicable segment.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1998 (Unaudited)

<TABLE>
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(in thousands)
THREE MONTHS ENDED JUNE 30, 1998

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	Office Buildings	Industrial Centers	Apartment Buildings	Shopping Centers	Corporate and Other	Consolidated
Real estate rental revenue	$12,555	$3,256	$5,290	$4,312	$ -	$25,413
Real estate expenses	4,219	655	2,014	924	-	7,812
Operating income	8,336	2,601	3,276	3,388	-	17,601
Depreciation and amortization	2,061	542	648	492	-	3,743
Income from real estate	6,275	2,059	2,628	2,896	-	13,858
Other income					316	316
Interest expense				(167)	(4,070)	(4,237)
General and administrative					(1,650)	(1,650)
Net income before gain on sale of real estate	$6,275	$2,059	$2,628	$2,729	$(5,404)	$8,287
Capital investments	$3,292	$29,594	$792	$6,414	$114	$40,206
Total assets	$254,563	$87,491	$64,992	$83,476	$19,344	$509,866

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(in thousands)
THREE MONTHS ENDED JUNE 30, 1997

	Office Buildings	Industrial Centers	Apartment Buildings	Shopping Centers	Corporate and Other	Consolidated
Real estate rental revenue	$8,282	$2,486	$4,394	$3,942	$ -	$19,104
Real estate expenses	2,987	552	1,737	909	-	6,185
Operating income	5,295	1,934	2,657	3,033	-	12,919
Depreciation and amortization	1,223	407	488	439	-	2,557
Income from real estate	4,072	1,527	2,169	2,594	-	10,362
Other income					157	157
Interest expense				(170)	(2,209)	(2,379)
General and administrative					(1,001)	(1,001)
Net income	$4,072	$1,527	$2,169	$2,424	$(3,053)	$7,139
Capital investments	$993	$242	$790	$599	$26	$2,650

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WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1998 (Unaudited)

(in thousands)
SIX MONTHS ENDED JUNE 30, 1998

	Office Buildings	Industrial Centers	Apartment Buildings	Shopping Centers	Corporate and Other	Consolidated
Real estate rental revenue	$24,917	$6,117	$10,449	$8,431	$ -	$49,914
Real estate expenses	8,095	1,212	3,916	1,719	-	14,942
Operating income	16,822	4,905	6,533	6,712	-	34,972
Depreciation and amortization	4,108	1,002	1,285	988	-	7,383
Income from real estate	12,714	3,903	5,248	5,724	-	27,589
Other income					547	547
Interest expense				(334)	(7,681)	(8,015)
General and administrative					(3,178)	(3,178)
Net income	$12,714	$3,903	$5,248	$5,390	$(10,312)	$16,943
Capital investments	$5,220	$29,898	$1,097	$6,975	$320	$43,510

(in thousands)
SIX MONTHS ENDED JUNE 30, 1997

	Office Buildings	Industrial Centers	Apartment Buildings	Shopping Centers	Corporate and Other	Consolidated
Real estate rental revenue	$16,342	$4,650	$8,733	$7,877	$ -	$37,602
Real estate expenses	5,897	1,004	3,441	1,790	-	12,132
Operating income	10,445	3,646	5,292	6,087	-	25,470
Depreciation and amortization	2,428	727	974	858	-	4,987
Income from real estate	8,017	2,919	4,318	5,229	-	20,483
Other income					227	227
Interest expense				(340)	(4,246)	(4,586)
General and administrative					(1,957)	(1,957)
Net income	$8,017	$2,919	$4,318	$4,889	$(5,976)	$14,167
Capital investments	$2,846	$14,173	$1,195	$2,168	$42	$20,424

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

WRIT's Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that may be considered forward looking. Although the Trust believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that could cause actual results to differ materially from the Trust's current expectations include general economic conditions, local real estate conditions, the performance of properties that the Trust has acquired or may acquire and other risks, detailed from time to time in the Trust's past and future SEC reports.

REAL ESTATE RENTAL REVENUE: Three Months Ended June 30, 1998 Compared to the Three Months Ended June 30, 1997

Total revenues for the second quarter of 1998 increased 33.0% ($6.3 million) to $25.4 million from $19.1 million in the second quarter of 1997.

For the second quarter of 1998, WRIT's office buildings had increases of 51.6% in revenues and 57.4% in operating income, over the second quarter of 1997. These increases were primarily due to the acquisition of 1600 Wilson Boulevard in October 1997 and 7900 Westpark Drive in November 1997 and increased core portfolio operating income. Comparing those office buildings owned by WRIT for the entire second quarter of 1997 to their results in the second quarter of 1998, revenue and operating income increased 8.2% and 11.8% respectively, over the second quarter of 1997. The increases in revenues and operating income were due to increases in rental rates and occupancy across the sector and decreased bad debt expense.

For the second quarter of 1998, WRIT's industrial distribution center revenues and operating income increased 31.0% and 34.4% respectively, over the second quarter of 1997. This was primarily due to the acquisitions of Pickett Industrial Park in October 1997 and Northern Virginia Industrial Park in May 1998 and due to increased core portfolio operating income. Comparing those industrial distribution centers owned by WRIT for the entire second quarter of 1997 to their results in the second quarter of 1998, revenue and operating income increased by 15.2% and 19.6% respectively, over the second quarter of 1997. These increases were primarily due to increased rental rates and increased tenant pass through expense recoveries.

For the second quarter of 1998, WRIT's apartment revenues and operating income increased 20.4% and 23.3% respectively, over the second quarter of 1997. These increases were primarily due to the acquisition of the Bethesda Hill Apartments in November 1997 and increased core portfolio operating income. Comparing those apartment buildings owned by WRIT for the entire second quarter of 1997 to their results in the second quarter of 1998, revenue and operating income increased 3.0% and 3.9% respectively, over the second quarter of 1997. The increases in revenues and operating income were primarily due to increased rental rates for the sector.

For the second quarter of 1998, WRIT's shopping centers had increases of 9.4% in revenues and 11.7% in operating income over the second quarter of 1997. These increases were primarily due to rental rate and occupancy gains for the sector. The addition of 800 South Washington Street to the shopping center sector in June

1998 did not have a significant impact on the sector's revenues or operating income in the second quarter of 1998 as compared to the second quarter of 1997.

REAL ESTATE RENTAL REVENUE: Six Months Ended June 30, 1998 Compared to the Six Months Ended June 30, 1997

Total revenues for the six months ended June 30, 1998 increased 32.7% ($12.3 million) to $49.9 million from $37.6 million for the six months ended June 30, 1997.

For the six months ended June 30, 1998, WRIT's office buildings had increases of 52.5% in revenues and 61.1% in operating income, over the six months ended June 30, 1997. These increases were primarily due to the acquisition of 1600 Wilson Boulevard in October 1997 and 7900 Westpark Drive in November 1997 and increased core portfolio operating income. Comparing those office buildings owned by WRIT for the entire six months ended June 30, 1997 to their results for the six months ended June 30, 1998, revenue and operating income increased 8.2% and 13.1% respectively, over the six months ended June 30, 1997. The increases in revenues and operating income were due to increases in rental rates and occupancy across the sector and decreased bad debt expense.

For the six months ended June 30, 1998, WRIT's industrial distribution center revenues and operating income increased 31.5% and 34.5% respectively, over the six months ended June 30, 1997. This was due primarily to the acquisitions of Ammendale Technology Park in February 1997, Pickett Industrial Park in October 1997 and Northern Virginia Industrial Park in May 1998 and due to increased core portfolio operating income. Comparing those industrial distribution centers owned by WRIT for the entire six months ended June 30, 1997 to their results for the six months ended June 30, 1998, revenue and operating income increased by 9.7% and 26.3% respectively, over the six months ended June 30, 1997. These increases are primarily due to increased rental rates, increased tenant pass through expense recoveries and decreased common area maintenance costs.

For the six months ended June 30, 1998, WRIT's apartment revenues and operating income increased 19.7% and 23.4% respectively, over the six months ended June

30, 1997. These increases were primarily due to the acquisition of the Bethesda Hill Apartments in November 1997 and increased core portfolio operating income. Comparing those apartment buildings owned by WRIT for the entire six months ended June 30, 1997 to their results for the six months ended June 30, 1998, revenue and operating income increased 2.8% and 2.4% respectively, over the six months ended June 30, 1997. The increases in revenues and operating income were due primarily to increased rental rates for the sector and decreased operating expense.

For the six months ended June 30, 1998, WRIT's shopping centers had increases of 7.0% in revenues and 10.3% in operating income over the six months ended June 30, 1997. These increases were primarily due to rental rate and occupancy gains for the sector as well as decreased operating expenses (primarily snow removal and utilities due to a milder winter in 1998 as compared to 1997). The addition of 800 South Washington Street to the shopping center sector in June 1998 did not have a significant impact on the sector's revenues or operating income in the six months ended June 30, 1998 as compared to the six months ended June 30, 1997.

OPERATING EXPENSES AND OTHER RESULTS OF OPERATIONS: Three Months Ended June 30, 1998 Compared to the Three Months Ended June 30, 1997

Real estate expenses increased $1.6 million or 26.3% to $7.8 million as compared to $6.2 million for the second quarter of 1997. This increase is primarily due to expenses relating to properties acquired in 1997 and 1998, as well as increased utility expenses in 1998 as compared to 1997.

Depreciation and amortization expense increased $1.2 million or 46.4% to $3.7 million as compared to $2.6 million for the second quarter of 1997. This is primarily due to 1997 and 1998 acquisitions of $138.8 million and $35.3 million, respectively, and 1997 and 1998 capital and tenant improvement expenditures which totaled $13.9 million and $7.8 million, respectively.

Other income increased as compared to the second quarter of 1997 due to increased investment earnings. This increase resulted from a higher average balance of cash and temporary investments in the second quarter of 1998 as compared to the second quarter of 1997.

Total interest expense was $4.2 million for the second quarter of 1998 as compared to $2.4 million for the second quarter of 1997. This increase is primarily attributable to the issuance of $110 million in debt securities in February 1998. For the second quarter of 1998, notes payable interest expense was $3.9 million, lines of credit interest expense was $139,000 and mortgage interest expense was $167,000. For the first quarter of 1997, notes payable interest expense was $1.9 million, lines of credit interest expense was $341,000 and mortgage interest expense was $170,000.

General and administrative expenses increased $0.6 million to $1.6 million as compared to $1.0 million for the second quarter of 1997. The increase is primarily attributable to personnel additions in 1997 and 1998, increased incentive compensation, and increased professional fees. For the second quarter of 1998, general and administrative expenses as a percentage of revenue were 6.5% as compared to 5.2% for the second quarter of 1997.

OPERATING EXPENSES AND OTHER RESULTS OF OPERATIONS: Six Months Ended June 30, 1998 Compared to the Six Months Ended June 30, 1997

Real estate expenses increased $2.8 million or 23.2% to $14.9 million as compared to $12.1 million for the first six months of 1997. This increase is primarily due to expenses relating to properties acquired in 1997, offset by decreased utility expenses, operating services and snow removal costs resulting from a milder winter season in 1998 as compared to 1997.

Depreciation and amortization expense increased $2.4 million or 48.1% to $7.4 million as compared to $5.0 million for the first six months of 1997. This is primarily due to 1997 and 1998 acquisitions of $138.8 million and $35.3 million, respectively, and 1997 and 1998 capital and tenant improvement expenditures which totaled $13.9 million and $7.8 million, respectively.

Other income increased as compared to the first six months of 1997 due to increased investment earnings. This increase resulted from a higher average balance of cash and temporary investments in the first six months of 1998 as compared to the first six months of 1997.

Total interest expense was $8.0 million for the six months ended June 30, 1998 as compared to $4.6 million for the six months ended June 30, 1997. This increase is primarily attributable to the issuance of $110 million in debt securities in February 1998 and due to a higher average amount outstanding under WRIT's lines of credit in the first six months of 1998. For the six months ended June 30, 1998, notes payable interest expense was $6.2 million, lines of credit interest expense was $1.1 million attributable to advances for 1997 acquisitions and mortgage interest expense was $334,000. For the first six months of 1997, notes payable interest expense was $3.6 million, lines of credit interest expense was $508,000 and mortgage interest expense was $340,000.

General and administrative expenses increased $1.2 million to $3.2 million as compared to $2.0 million for the six months ended June 30, 1997. The increase is primarily attributable to personnel additions in 1997 and 1998, increased incentive compensation, increased shareholder expenses and increased professional fees. For the first six months of 1998, general and administrative expenses as a percentage of revenue were 6.4% as compared to 5.2% for the first six months of 1997.

CAPITAL RESOURCES AND LIQUIDITY

WRIT has utilized the proceeds of share offerings, medium and 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 medium or long-term notes. The funds raised would be used to pay off any outstanding advances on the Trust=s lines of credit and for new acquisitions and capital improvements.

WRIT has line of credit commitments in place from commercial banks for up to $75 million which bear interest at an adjustable spread over LIBOR based on the Trust's interest coverage ratio and public debt rating. As of June 30, 1998, WRIT had $17 million outstanding under its lines of credit.

In March 1998, WRIT filed a shelf registration statement with the Securities and Exchange Commission which registered up to 4,500,000 common shares for issuance at WRIT's option. The shares may be issued in exchange for properties or certain interests in certain property owning entities. The shelf registration may facilitate the acquisition of properties in exchange for shares and will remain effective for an indefinite period as long as WRIT continues to meet certain Securities and Exchange Commission reporting requirements.

Cash flow from operating activities totaled $29.4 million for the first six months of 1998, as a result of net income before gain on sale of real estate of $16.9 million, depreciation and amortization of $7.4 million, decreases in other assets of $388,000 and increases in liabilities (other than mortgage note, senior notes and lines of credit payable) of $4.7 million. The majority of the increase in cash flow from operating activities was due to a larger property portfolio and increased rental rates.

Net cash used in investing activities for the first six months of 1998 was $34.3 million, including cash received for sale of real estate of $9.2 million net of real estate acquisitions of $35.3 million, capital improvements to real estate of $7.8 million and non-real estate capital improvements of $320,000.

Net cash provided by financing activities for the first three months of 1998 was $4.9 million, including proceeds from debt offering of $102.8 million, line of credit borrowings of $17 million, line of credit repayments of $95.3 million, principal repayments of $69,000 on the mortgage note payable and $19.6 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.

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, 1998, WRIT Limited Partnership has acquired 15 properties for cash contributed or loaned to the partnership 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 exchange 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.

YEAR 2000

WRIT has assessed and continues to assess the impact of the Year 2000 issue on its reporting systems and operations. The Year 2000 issue exists because many computer systems and applications and other systems using computer chips currently use two-digit fields to designate a year. As the century date occurs, date sensitive systems may recognize the year 2000 as 1900 or not at all. This inability to recognize or properly treat the year 2000 may cause the systems to process critical financial and operations information incorrectly.

WRIT has implemented a new reporting system. Implementation of the new system was not done in response to Year 2000 issues but in order to improve reporting processes. The new system is Year 2000 compliant. Management is reviewing the remaining operating systems, including building operations, to determine if there is any Year 2000 issues related to such systems.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

In connection with the acquisition of Northern Virginia Industrial Park ("NVIP"), WRIT formed WRIT-NVIP L.L.C. for the purpose of owning and operating nine of the buildings that comprise NVIP. WRIT-NVIP L.L.C. is a majority owned, consolidated subsidiary of WRIT. In connection with the formation of WRIT-NVIP L.L.C. and the purchase of NVIP, WRIT issued 85,500 Limited Liability Corporate Shares of WRIT-NVIP L.L.C. to one of NVIP's former owners. The shares are exchangeable, subject to certain limitations, for either cash or WRIT common shares after one year. The shares were issued in a private transaction exempt from registration under the Securities Act pursuant to Section 4(2) of the Act.

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

At WRIT's annual meeting of the Shareholders on June 24, 1998, the following members were elected to the Board of Trustees for a period of three years:

	Affirmative Votes	Negative Votes
Edmund B. Cronin, Jr.	32,470,776	556,809
John P. McDaniel	32,608,975	418,616
David M. Osnos	32,595,087	432,504

John M. McDaniel was elected as a successor Trustee for Benjamin H. Dorsey, who attained the age of 74 and retired from the Board per the trust's By-Laws. Trustees whose term of office continued after the meeting were Arthur A. Birney, William N. Cafritz, John M. Derrick, Jr. and Stanley P. Snyder

The shareholders approved an amendment to the Declaration of Trust to modify certain investment policies with 23,145,691 votes in favor, 1,178,168 votes opposed and 531,635 votes abstained.

The annual meeting was adjourned to September 17, 1998 in order to allow more time to obtain Shareholder votes regarding the following matters:

1. To approve amendments to the Declaration of Trust to authorize the issuance of Preferred Shares.
2. To approve an amendment to the Declaration of Trust to authorize the Trustees to adopt future changes to the Declaration of Trust to preserve REIT status.
3. To approve amendments to the Declaration of Trust to revise the super-majority voting provision.

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(27) Financial Data Schedule

(b) Reports on Form 8-K

None

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST

s/Larry E. Finger/

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Larry E. Finger,
Senior Vice President Finance
and Chief Financial Officer

s/Laura M. Franklin/

____

Laura M. Franklin,
Vice President Finance
and Chief Accounting Officer

Date: August 14, 1998

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