
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) July 20, 2005

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-6622
(Commission File Number)

53-0261100
(IRS Employer
Identification Number)

6110 Executive Boulevard, Suite 800, Rockville, Maryland
(Address of principal executive offices)

20852
(Zip Code)

Registrant's telephone number, including area code (301) 984-9400

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

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

Item 2.02 Results of Operations and Financial Condition

and

Item 7.01 Regulation FD Disclosure

A press release issued by the Registrant on July 20, 2005, regarding earnings for the three and six months ended June 30, 2005, is attached as Exhibit 99.1. Also, certain supplemental information not included in the press release is attached as Exhibit 99.2. This information is being furnished pursuant to Item 7.01 and Item 2.02 of Form 8-K. This information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any Securities Act registration statements.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit 99.1 Press release issued July 20, 2005 regarding earnings for the three and six months ended June 30, 2005

Exhibit 99.2 Certain supplemental information not included in the press release

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST
(Registrant)

By: /s/ Laura M. Franklin

(Signature)
Laura M. Franklin
Senior Vice President Accounting,
Administration and Corporate Secretary

July 21, 2005
(Date)

Exhibit Index

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| 99.1 | Press Release issued July 20, 2005 regarding earnings for the three and six months ended June 30, 2005 |
| 99.2 | Certain supplemental information not included in the press release |

NEWS RELEASE

WRIT

Washington Real Estate Investment Trust

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Newspaper Quote: WRIT

Page 1 of 6

FOR IMMEDIATE RELEASE

July 20, 2005

WASHINGTON REAL ESTATE INVESTMENT TRUST ANNOUNCES RESULTS FOR THE QUARTER ENDED JUNE 30, 2005

Washington Real Estate Investment Trust (WRIT) reported the following results today:

| | For the three months Ended June 30, | | For the six months Ended June 30, | |
|---|--|---------|--------------------------------------|---------|
| | 2005 | 2004 | 2005 | 2004 |
| Net Income Per Share - Diluted | \$ 0.26 | \$ 0.26 | \$ 1.26 | \$ 0.54 |
| Funds from Operations ("FFO") Per Share | \$ 0.51 | \$ 0.51 | \$ 1.00 | \$ 1.01 |

- Second quarter 2005 Net Income per fully diluted share was \$0.26, unchanged from the second quarter of 2004. Net income per fully diluted share was \$1.26 compared to \$0.54 for the six months ended June 30, 2005 and 2004, respectively. This increase was due to the \$32.1 million gain on the sale of three properties in February 2005 and recognition of the \$1.9 million previously deferred gain from a property sale in November, 2004.
- Funds from Operations ("FFO") per fully diluted share, a non-GAAP financial measure, for the second quarter 2005 was \$0.51, unchanged from the second quarter of 2004. FFO per fully diluted share for the six months ended June 30, 2005 was \$1.00, compared to \$1.01 per fully diluted share for the six months ended June 30, 2004.

A reconciliation of net income to funds from operations is provided on the attached income statement.

"In the second quarter, we increased our quarterly dividend to \$0.4025 per share, making our 3rd consecutive year of dividend increases," stated Edmund B. Cronin, Jr. "Our portfolio continues to perform well with the exception of office, however, activity in that sector is increasing significantly."

Company Information

WRIT is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington/Baltimore metropolitan region. WRIT owns a diversified portfolio of 67 properties consisting of 12 retail centers, 27 office properties, 19 industrial properties and 9 multifamily properties.

WRIT's dividends have increased every year for 35 consecutive years. WRIT's FFO per share has increased every year for 32 consecutive years. WRIT shares are publicly traded on the New York Stock Exchange (symbol: WRE).

Note: WRIT's press releases and supplemental financial information are available on the company website at www.writ.com or by contacting Investor Relations at 301-984-9400.

Certain statements in this press release and the supplemental disclosures attached hereto are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, fluctuations in interest rates, availability of raw materials and labor costs, levels of competition, the effect of government regulation, the availability of capital, weather conditions, the timing and pricing of lease transactions and changes in general and local economic and real estate market conditions, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2004 Form 10-K. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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

| OPERATING RESULTS | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|------------------|---------------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Revenue | | | | |
| Real estate rental revenue | \$ 46,609 | \$ 42,623 | \$ 91,996 | \$ 84,888 |
| Other income | 207 | 115 | 321 | 180 |
| | <u>46,816</u> | <u>42,738</u> | <u>92,317</u> | <u>85,068</u> |
| Expenses | | | | |
| Real estate expenses | (13,986) | (12,604) | (28,192) | (25,245) |
| Interest expense | (9,283) | (8,614) | (17,870) | (17,189) |
| Depreciation and amortization | (12,967) | (9,650) | (23,531) | (19,075) |
| General and administrative | (2,092) | (1,727) | (4,325) | (2,956) |
| | <u>(38,328)</u> | <u>(32,595)</u> | <u>(73,918)</u> | <u>(64,465)</u> |
| Other income from property settlement | 504 | — | 504 | — |
| Income from continuing operations | 8,992 | 10,143 | 18,903 | 20,603 |
| Discontinued operations: | | | | |
| Income from operations of properties sold or held for sale | — | 939 | 234 | 1,781 |
| Gain on property disposed | 1,883 | — | 33,973 | — |
| | <u>—</u> | <u>939</u> | <u>234</u> | <u>1,781</u> |
| Net Income | \$ 10,875 | \$ 11,082 | \$ 53,110 | \$ 22,384 |
| Income from continuing operations | \$ 8,992 | \$ 10,143 | \$ 18,903 | \$ 20,603 |
| Other income from property settlement | (504) | — | (504) | — |
| Continuing operations real estate depreciation and amortization | 12,967 | 9,650 | 23,531 | 19,075 |
| | <u>21,455</u> | <u>19,793</u> | <u>41,930</u> | <u>39,678</u> |
| Funds from continuing operations | \$ 21,455 | \$ 19,793 | \$ 41,930 | \$ 39,678 |
| Income from discontinued operations before gain on disposal | — | 939 | \$ 234 | \$ 1,781 |
| Discontinued operations real estate depreciation and amortization | — | 470 | — | 918 |
| | <u>—</u> | <u>1,409</u> | <u>234</u> | <u>2,699</u> |
| Funds from discontinued operations | — | 1,409 | \$ 234 | \$ 2,699 |
| Funds from operations⁽¹⁾ | \$ 21,455 | \$ 21,202 | \$ 42,164 | \$ 42,377 |
| Tenant improvements ⁽³⁾ | (2,063) | (2,022) | (3,868) | (4,814) |
| External and internal leasing commissions capitalized | (1,094) | (623) | (2,157) | (1,257) |
| Recurring capital improvements | (2,360) | (2,357) | (4,551) | (3,785) |
| Straight-line rents, net | (661) | (521) | (1,358) | (1,085) |
| Rent abatement amortization | (892) | 277 | (556) | 577 |
| Non real estate depreciation & amortization | 428 | 426 | 835 | 874 |
| Amortization of lease intangibles | (33) | (7) | 17 | (72) |
| Amortization of restricted share compensation | 467 | — | 467 | — |
| Other | 301 | — | 301 | — |
| | <u>15,548</u> | <u>16,375</u> | <u>31,294</u> | <u>32,815</u> |
| Funds Available for Distribution⁽²⁾ | \$ 15,548 | \$ 16,375 | \$ 31,294 | \$ 32,815 |

| Per Share Data | | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------|-----------------------------|-----------|---------------------------|-----------|
| | | 2005 | 2004 | 2005 | 2004 |
| Income from continuing operations | (Basic) | \$ 0.21 | \$ 0.24 | \$ 0.45 | \$ 0.50 |
| | (Diluted) | \$ 0.21 | \$ 0.24 | \$ 0.45 | \$ 0.49 |
| Net income | (Basic) | \$ 0.26 | \$ 0.27 | \$ 1.27 | \$ 0.54 |
| | (Diluted) | \$ 0.26 | \$ 0.26 | \$ 1.26 | \$ 0.54 |
| Funds from continuing operations | (Basic) | \$ 0.51 | \$ 0.48 | \$ 1.00 | \$ 0.95 |
| | (Diluted) | \$ 0.51 | \$ 0.47 | \$ 1.00 | \$ 0.95 |
| Funds from operations | (Basic) | \$ 0.51 | \$ 0.51 | \$ 1.01 | \$ 1.02 |
| | (Diluted) | \$ 0.51 | \$ 0.51 | \$ 1.00 | \$ 1.01 |
| Dividends paid | | \$ 0.4025 | \$ 0.3925 | \$ 0.7950 | \$ 0.7650 |
| Weighted average shares outstanding | | 41,932 | 41,638 | 41,899 | 41,605 |
| Fully diluted weighted average shares outstanding | | 42,059 | 41,838 | 42,023 | 41,831 |

- (1) Funds From Operations (“FFO”) – The National Association of Real Estate Investment Trusts, Inc. (“NAREIT”) defines FFO (April, 2002 White Paper) as net income (computed in accordance with generally accepted accounting principles (“GAAP”)) excluding gains (or losses) from sales of property plus real estate depreciation and amortization. We consider FFO to be a standard supplemental measure for equity real estate investment trusts (“REITs”) because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs.
- (2) Funds Available for Distribution (“FAD”) is calculated by subtracting from FFO (1) recurring expenditures, tenant improvements and leasing costs that are capitalized and amortized and are necessary to maintain our properties and revenue stream and (2) straight line rents, then adding (3) non-real estate depreciation and amortization and (4) non-cash rent abatement amortization, and adding or subtracting amortization of lease intangibles, as appropriate. FAD is included herein, because we consider it to be a measure of a REIT’s ability to incur and service debt and to distribute dividends to its shareholders. FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.
- (3) Tenant improvements for the six months ended June 30, 2004 include payments to one tenant of \$1.1 million.

WASHINGTON REAL ESTATE INVESTMENT TRUST
CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

| | June 30, 2005 | December 31, 2004 |
|--|---------------------|----------------------|
| Assets | | |
| Land | \$ 219,492 | \$ 205,590 |
| Income producing property | 953,084 | 899,004 |
| Accumulated depreciation and amortization | (220,607) | (201,758) |
| Net income producing property | 951,969 | 902,836 |
| Development in progress | 17,427 | 12,281 |
| Total investment in real estate, net | 969,396 | 915,117 |
| Investment in real estate held for sale, net | — | 34,158 |
| Cash and cash equivalents | 18,673 | 5,562 |
| Restricted cash | 4,261 | 388 |
| Rents and other receivables, net of allowance for doubtful accounts of 2,868 and 2,605, respectively | 22,553 | 21,423 |
| Prepaid expenses and other assets | 34,165 | 35,066 |
| Other assets related to properties held for sale | — | 679 |
| Total Assets | <u>\$ 1,049,048</u> | <u>\$ 1,012,393</u> |
| Liabilities | | |
| Accounts payable and other liabilities | \$ 30,140 | \$ 22,586 |
| Advance rents | 5,179 | 5,108 |
| Tenant security deposits | 6,305 | 5,784 |
| Other liabilities related to properties held for sale | — | 848 |
| Mortgage notes payable | 196,960 | 173,429 |
| Lines of credit/short-term note payable | — | 117,000 |
| Notes payable | 420,000 | 320,000 |
| Total Liabilities | <u>658,584</u> | <u>644,755</u> |
| Minority interest | 1,646 | 1,629 |
| Shareholders' Equity | | |
| Shares of beneficial interest, \$.01 par value; 100,000 shares authorized: 42,123 and 42,000 shares issued and outstanding, respectively | 421 | 420 |
| Additional paid-in capital | 407,572 | 405,030 |
| Distributions in excess of net income | (15,878) | (35,545) |
| Less: Deferred compensation on restricted shares | (3,297) | (3,896) |
| Total Shareholders' Equity | <u>388,818</u> | <u>366,009</u> |
| Total Liabilities and Shareholders' Equity | <u>\$ 1,049,048</u> | <u>\$ 1,012,393</u> |

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

Occupancy Levels by Core Portfolio⁽¹⁾ and All Properties

| Sector | Core Portfolio | | All Properties | |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2 nd QTR 2005 | 2 nd QTR 2004 | 2 nd QTR 2005 | 2 nd QTR 2004 |
| Multifamily | 93.7% | 90.4% | 93.7% | 90.4% |
| Office Buildings | 89.6% | 90.6% | 89.8% | 88.9% |
| Retail Centers | 96.7% | 94.6% | 97.2% | 94.6% |
| Industrial/Flex Centers | 92.1% | 92.6% | 92.9% | 92.6% |
| Overall Portfolio | 91.7% | 91.4% | 92.0% | 90.3% |

⁽¹⁾ Core portfolio properties include all properties that were owned for the entirety of the current and prior year reporting periods. For Q2 2005 and Q2 2004, core portfolio properties exclude Shady Grove Medical Village II, 8301 Arlington Boulevard, Dulles Business Park, Frederick Crossing, 8230 Boone Boulevard, Tycon Plaza II, Tycon Plaza III, 7700 Leesburg Pike, and DBP Coleman Building.

2005 Acquisition Summary

| | Acquisition Date | Square Feet | Leased Percentage at Acquisition | June 30, 2005 Leased Percentage | Investment |
|---|---------------------|----------------|--|--|------------------|
| Frederick Crossing Shopping Center, Frederick, MD | 03/23/05 | 294,724 | 100% | 100% | \$ 45,100 |
| Coleman Building, Chantilly, VA | 04/08/05 | 59,767 | 64% | 83% | \$ 8,800 |
| Total | | | | | \$ 53,900 |

2005 Disposition Summary

| | Disposition Date | Property Type | Square Feet | Sale Price (in thousands) | GAAP Gain |
|--------------------|---------------------|------------------|----------------|------------------------------|------------------|
| 7700 Leesburg Pike | 02/01/05 | Office | 147,000 | \$ 20,150 | \$ 8,527 |
| Tycon Plaza II | 02/01/05 | Office | 127,000 | \$ 19,400 | \$ 8,867 |
| Tycon Plaza III | 02/01/05 | Office | 137,000 | \$ 27,950 | \$ 14,696 |
| Boone Blvd | 11/15/04 | Office | 58,000 | \$ 10,000 | \$ 1,883* |
| Total | | | 469,000 | \$ 77,500 | \$ 33,973 |

* Reflects the recognition of deferred gain in conjunction with property disposal in November 2004.

Conference Call Information

WRIT will conduct a Conference/Webcast Call to discuss 2nd Quarter on Thursday, July 21, 2005 at 3:00 PM, Eastern Time. Conference call access information is as follows:

USA Toll Free Number: 1-888-271-8857
International Toll Number: 1-706-679-7697
Leader: Sara Grootwassink
Conference ID: 7251508

The instant replay of the Conference Call will be available until August 4, 2005 at 11:59 PM Eastern Time. Instant Replay access information is as follows:

USA Toll Free Number: 1-800-642-1687
International Toll Number: 1-706-645-9291
Conference ID: 7251508

The live on-demand webcast of the Conference Call will also be available on WRIT's website at www.writ.com. The on-line playback of the webcast will be available at www.writ.com for 30 days following the Conference Call.

WRIT Washington Real Estate Investment Trust

Supplemental Information
June 30, 2005

Contact:
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Chief Financial Officer
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Washington Real Estate Investment Trust
Supplemental Information
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June 30, 2005

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Washington Real Estate Investment Trust
About the Trust

Mission Statement

Washington Real Estate Investment Trust, founded in 1960 and headquartered in Rockville, Maryland, invests in a diversified range of income-producing property types. Our purpose is to acquire and manage real estate investments in markets we know well and protect our assets from single property-type value fluctuations through diversified holdings. Our goal is to continue to safely increase earnings and shareholder value.

Company Background

We are a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington-Baltimore region. We own a diversified portfolio of 67 properties consisting of 12 retail centers, 27 office properties, 19 industrial/flex properties and 9 multifamily properties.

Our dividends have increased every year for 35 consecutive years and our Funds From Operations ("FFO") per share has increased every year for 32 consecutive years. WRIT shares are publicly traded on the New York Stock Exchange (symbol: WRE).

Certain statements in the supplemental disclosures which follow are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, fluctuations in interest rates, availability of raw materials and labor costs, levels of competition, the effect of government regulation, the availability of capital, weather conditions, the timing and pricing of lease transactions and changes in general and local economic and real estate market conditions, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2004 Form 10-K. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Washington Real Estate Investment Trust
Consolidated Statements of Operations
(In thousands, except per share data)
(unaudited)

| OPERATING RESULTS | Three Months Ended | | | | |
|---|--------------------|------------------|------------------|------------------|------------------|
| | 06/30/05 | 03/31/05 | 12/31/04 | 09/30/04 | 06/30/04 |
| Real estate rental revenue | \$ 46,609 | \$ 45,387 | \$ 43,828 | \$ 43,351 | \$ 42,624 |
| Real estate expenses | (13,986) | (14,205) | (12,984) | (13,165) | (12,604) |
| | 32,623 | 31,182 | 30,844 | 30,186 | 30,020 |
| Real estate depreciation and amortization | (12,967) | (10,565) | (10,315) | (10,051) | (9,651) |
| Income from real estate | 19,656 | 20,617 | 20,529 | 20,135 | 20,369 |
| Other income | 207 | 114 | 88 | 59 | 115 |
| Other income from property settlement | 504 | — | — | — | — |
| Interest expense | (9,283) | (8,588) | (8,551) | (8,760) | (8,614) |
| General and administrative | (2,092) | (2,232) | (1,622) | (1,616) | (1,727) |
| Income from continuing operations | 8,992 | 9,911 | 10,444 | 9,818 | 10,143 |
| Discontinued operations: | | | | | |
| Income (loss) from operations of properties sold or held for sale | — | 234 | 910 | 979 | 939 |
| Gain on sale of real estate investment | 1,883 | 32,089 | 1,029 | — | — |
| Income (loss) from discontinued operations | 1,883 | 32,323 | 1,939 | 979 | 939 |
| Net Income | \$ 10,875 | \$ 42,234 | \$ 12,383 | \$ 10,797 | \$ 11,082 |
| Per Share Data | | | | | |
| Net Income | \$ 0.26 | \$ 1.01 | \$ 0.30 | \$ 0.26 | \$ 0.26 |
| Fully diluted weighted average shares outstanding | 42,059 | 42,015 | 41,911 | 41,883 | 41,838 |
| Percentage of Revenues: | | | | | |
| Real estate expenses | 30.0% | 31.3% | 29.6% | 30.4% | 29.6% |
| General and administrative | 4.5% | 4.9% | 3.7% | 3.7% | 4.1% |
| Ratios: | | | | | |
| EBITDA / Interest expense | 3.4x | 3.4x | 3.6x | 3.4x | 3.5x |
| Income from continuing operations/Total real estate revenue | 19.3% | 21.8% | 23.8% | 22.6% | 23.8% |
| Net income/Total real estate revenue | 23.3% | 93.1% | 28.3% | 24.9% | 26.0% |

Washington Real Estate Investment Trust
Consolidated Balance Sheets
(In thousands)
(unaudited)

| | June 30, 2005 | March 31, 2005 | December 31, 2004 | September 30, 2004 | June 30, 2004 |
|--|--------------------|--------------------|----------------------|-----------------------|-------------------|
| Assets | | | | | |
| Land | \$ 219,492 | \$ 218,350 | \$ 205,590 | \$ 199,399 | \$ 197,403 |
| Income producing property | 953,084 | 939,649 | 899,004 | 841,261 | 817,106 |
| Accumulated depreciation and amortization | (220,607) | (210,849) | (201,758) | (192,338) | (183,339) |
| Net income producing property | 951,969 | 947,150 | 902,836 | 848,322 | 831,170 |
| Development in progress | 17,427 | 15,313 | 12,281 | 10,942 | 8,861 |
| Total investment in real estate, net | 969,396 | 962,463 | 915,117 | 859,264 | 840,031 |
| Investment in real estate sold or held for sale, net | — | — | 34,158 | 41,091 | 41,315 |
| Cash and cash equivalents | 18,673 | 5,491 | 5,562 | 3,061 | 8,304 |
| Restricted cash | 4,261 | 12,515 | 388 | 66 | 32 |
| Rents and other receivables, net of allowance for doubtful accounts | 22,553 | 21,365 | 21,423 | 21,098 | 20,529 |
| Prepaid expenses and other assets | 34,165 | 34,997 | 35,066 | 32,911 | 26,499 |
| Other assets related to properties sold or held for sale | — | — | 679 | 711 | 756 |
| Total Assets | \$1,049,048 | \$1,036,831 | \$1,012,393 | \$ 958,202 | \$ 937,466 |
| Liabilities and Shareholders' Equity | | | | | |
| Accounts payable and other liabilities | \$ 30,140 | \$ 23,285 | \$ 22,586 | \$ 21,170 | \$ 22,475 |
| Advance rents | 5,179 | 5,551 | 5,108 | 4,882 | 4,947 |
| Tenant security deposits | 6,305 | 5,990 | 5,784 | 5,718 | 5,621 |
| Other liabilities related to properties sold or held for sale | — | — | 848 | 1,208 | 1,461 |
| Mortgage notes payable | 196,960 | 197,775 | 173,429 | 150,904 | 141,271 |
| Lines of credit/short-term note payable | — | 90,500 | 117,000 | 30,850 | 13,250 |
| Notes payable | 420,000 | 320,000 | 320,000 | 375,000 | 375,000 |
| Total Liabilities | 658,584 | 643,101 | 644,755 | 589,732 | 564,025 |
| Minority interest | 1,646 | 1,642 | 1,629 | 1,624 | 1,615 |
| Shareholders' Equity | | | | | |
| Shares of beneficial interest, \$0.01 par value; 100,000 shares authorized | \$ 421 | \$ 420 | \$ 420 | \$ 418 | \$ 418 |
| Additional paid-in capital | 407,572 | 405,119 | 405,029 | 401,006 | 400,713 |
| Distributions in excess of net income | (15,878) | (9,796) | (35,544) | (31,444) | (25,840) |
| Less: Deferred Compensation on restricted shares | (3,297) | (3,655) | (3,896) | (3,134) | (3,465) |
| Total Shareholders' Equity | 388,818 | 392,088 | 366,009 | 366,846 | 371,826 |
| Total Liabilities and Shareholders' Equity | \$1,049,048 | \$1,036,831 | \$1,012,393 | \$ 958,202 | \$ 937,466 |
| Total Debt / Total Market Capitalization | 0.32:1 | 0.34:1 | 0.30:1 | 0.31:1 | 0.30:1 |

Note: Certain prior quarter amounts have been reclassified to conform to the current quarter presentation.

Washington Real Estate Investment Trust
Funds From Operations and Funds Available for Distribution
(In thousands, except per share data)
(unaudited)

| | Three Months Ended | | | | |
|---|--------------------|------------------|-----------------|-----------------|-----------------|
| | 06/30/05 | 03/31/05 | 12/31/04 | 09/30/04 | 06/30/04 |
| Funds From Operations⁽¹⁾ | | | | | |
| Net Income | \$10,875 | \$ 42,234 | \$12,383 | \$10,797 | \$11,082 |
| Real estate depreciation and amortization | 12,967 | 10,565 | 10,315 | 10,051 | 9,650 |
| Discontinued operations: | | | | | |
| Gain on property disposed | (1,883) | (32,089) | (1,029) | — | — |
| Other income from property settlement | (504) | — | — | — | — |
| Real estate depreciation and amortization | — | — | 270 | 464 | 470 |
| Funds From Operations (FFO) | 21,455 | 20,710 | 21,939 | 21,312 | 21,202 |
| FFO per share - basic | \$ 0.51 | \$ 0.49 | \$ 0.53 | \$ 0.51 | \$ 0.51 |
| FFO per share - fully diluted | \$ 0.51 | \$ 0.49 | \$ 0.52 | \$ 0.51 | \$ 0.51 |
| Funds Available for Distribution⁽²⁾ | | | | | |
| Tenant Improvements | (2,063) | (1,805) | (3,057) | (1,561) | (2,022) |
| External and Internal Leasing Commissions Capitalized | (1,094) | (1,063) | (923) | (533) | (623) |
| Recurring Capital Improvements | (2,360) | (2,192) | (3,009) | (2,274) | (2,357) |
| Straight-Line Rent, Net | (661) | (697) | (610) | (434) | (521) |
| Rent abatement amortization | (892) | 336 | 308 | 331 | 277 |
| Non-real estate depreciation and amortization | 428 | 407 | 400 | 424 | 426 |
| Amortization of lease intangibles-FAS 141 | (33) | 50 | 51 | 8 | (7) |
| Amortization of restricted share compensation | 467 | — | — | — | — |
| Other | 301 | — | — | — | — |
| Funds Available for Distribution (FAD) | \$15,548 | \$ 15,746 | \$15,099 | \$17,273 | \$16,375 |
| Total Dividends Paid | \$16,956 | \$ 16,486 | \$16,483 | \$16,401 | \$16,394 |
| Average shares - basic | 41,932 | 41,866 | 41,711 | 41,648 | 41,638 |
| Average shares - fully diluted | 42,059 | 42,015 | 41,911 | 41,883 | 41,838 |

⁽¹⁾ Funds From Operations (“FFO”) – The National Association of Real Estate Investment Trusts, Inc. (“NAREIT”) defines FFO (April, 2002 White Paper) as net income (computed in accordance with generally accepted accounting principles (“GAAP”)) excluding gains (or losses) from sales of property plus real estate depreciation and amortization. We consider FFO to be a standard supplemental measure for equity real estate investment trusts (“REITs”) because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs. FFO is a non-GAAP measure.

⁽²⁾ Funds Available for Distribution (“FAD”) is calculated by subtracting from FFO (1) recurring expenditures, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream and (2) straight line rents, then adding (3) non-real estate depreciation and amortization and (4) non-cash amortization of rent abatements, and adding or subtracting the amortization of lease intangibles as appropriate. FAD is included herein, because we consider it to be a measure of a REIT’s ability to incur and service debt and to distribute dividends to its shareholders. FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Washington Real Estate Investment Trust
Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)
(In thousands)
(unaudited)

| | Three Months Ended | | | | |
|---|--------------------|------------------|-----------------|-----------------|-----------------|
| | 06/30/05 | 03/31/05 | 12/31/04 | 09/30/04 | 06/30/04 |
| EBITDA⁽¹⁾ | | | | | |
| Net income | \$10,875 | \$ 42,234 | \$12,383 | \$10,797 | \$11,082 |
| Add: | | | | | |
| Interest expense | 9,283 | 8,588 | 8,551 | 8,760 | 8,614 |
| Real estate depreciation and amortization | 12,967 | 10,565 | 10,585 | 10,515 | 10,121 |
| Non-real estate depreciation | 80 | 84 | 95 | 103 | 111 |
| Less: | | | | | |
| Gain on sale of real estate | (1,883) | (32,089) | (1,029) | — | — |
| Other income | (207) | (114) | (88) | (59) | (115) |
| EBITDA | \$31,115 | \$ 29,268 | \$30,497 | \$30,116 | \$29,813 |

⁽¹⁾ EBITDA is earnings before interest, taxes, depreciation and amortization. We consider EBITDA to be an appropriate supplemental performance measure because it eliminates depreciation, interest and the gain (loss) from property dispositions, which permits investors to view income from operations without the effect of non-cash depreciation or the cost of debt. EBITDA is a non-GAAP measure.

Washington Real Estate Investment Trust
Long-Term Debt Analysis
(In thousands, except per share amounts)

| | June 30, 2005 | March 31, 2005 | December 31, 2004 | September 30, 2004 | June 30, 2004 |
|-----------------------------|------------------|-------------------|----------------------|-----------------------|------------------|
| Balances Outstanding | | | | | |
| Secured | | | | | |
| Conventional fixed rate | \$ 196,960 | \$ 197,775 | \$ 173,429 | \$ 150,904 | \$ 141,271 |
| Secured total | 196,960 | 197,775 | 173,429 | 150,904 | 141,271 |
| Unsecured | | | | | |
| Fixed rate bonds and notes | 420,000 | 320,000 | 320,000 | 375,000 | 375,000 |
| Credit facility | — | 90,500 | 117,000 | 30,850 | 13,250 |
| Unsecured total | 420,000 | 410,500 | 437,000 | 405,850 | 388,250 |
| Total | \$ 616,960 | \$ 608,275 | \$ 610,429 | \$ 556,754 | \$ 529,521 |

Average Interest Rates

| | | | | | |
|-------------------------|------|------|------|------|------|
| Secured | | | | | |
| Conventional fixed rate | 6.2% | 6.2% | 6.6% | 6.6% | 6.6% |
| Secured total | 6.2% | 6.2% | 6.6% | 6.6% | 6.6% |
| Unsecured | | | | | |
| Fixed rate bonds | 6.0% | 6.2% | 6.2% | 6.5% | 6.5% |
| Credit facilities | 0.0% | 3.4% | 3.1% | 2.4% | 1.8% |
| Unsecured total | 6.0% | 5.6% | 5.4% | 6.2% | 6.3% |
| Average | 6.0% | 5.8% | 5.7% | 6.3% | 6.4% |

Maturity Schedule

| Year | <i>Future Maturities of Debt</i> | | | | Average Interest Rate |
|------------------|----------------------------------|----------------|-------------------|------------|-----------------------|
| | Secured Debt | Unsecured Debt | Credit Facilities | Total Debt | |
| 2005 | \$ 27,181 | \$ — | \$ — | \$ 27,181 | 7.6% |
| 2006 | 8,660 | 50,000 | — | 58,660 | 7.2% |
| 2007 | 9,981 | — | — | 9,981 | 6.5% |
| 2008 | 2,242 | 60,000 | — | 62,242 | 6.7% |
| 2009 | 52,369 | — | — | 52,369 | 7.1% |
| 2010 | 2,496 | — | — | 2,496 | 5.2% |
| 2011 | 11,673 | — | — | 11,673 | 5.3% |
| 2012 | 19,261 | 50,000 | — | 69,261 | 5.0% |
| 2013 | 63,097 | 60,000 | — | 123,097 | 5.3% |
| Thereafter | — | 200,000 | — | 200,000 | 5.9% |
| Total maturities | \$ 196,960 | \$ 420,000 | \$ — | \$ 616,960 | 6.0% |

Weighted average maturity = 7.4 years

Washington Real Estate Investment Trust
Capital Analysis
(In thousands, except per share amounts)

| | June 30, 2005 | March 31, 2005 | December 31, 2004 | September 30, 2004 | June 30, 2004 |
|--|------------------|-------------------|----------------------|-----------------------|------------------|
| Market Data | | | | | |
| Shares Outstanding | 42,123 | 42,004 | 42,000 | 41,786 | 41,769 |
| Market Price per Share | \$ 31.20 | \$ 28.75 | \$ 33.87 | \$ 30.30 | \$ 29.38 |
| Equity Market Capitalization | \$1,314,238 | \$1,207,615 | \$1,422,540 | \$ 1,266,116 | \$1,227,173 |
| Total Debt | \$ 616,960 | \$ 608,275 | \$ 610,429 | \$ 556,754 | \$ 529,521 |
| Total Market Capitalization | \$1,931,198 | \$1,815,890 | \$2,032,969 | \$ 1,822,870 | \$1,756,694 |
| Total Debt to Market Capitalization | 0.32:1 | 0.34:1 | 0.30:1 | 0.31:1 | 0.30:1 |
| Earnings to Fixed Charges ⁽¹⁾ | 1.9x | 2.1x | 2.2x | 2.1x | 2.1x |
| Debt Service Coverage Ratio ⁽²⁾ | 3.1x | 3.2x | 3.3x | 3.3x | 3.3x |
| Dividend Data | | | | | |
| Total Dividends Paid | \$ 16,956 | \$ 16,486 | \$ 16,483 | \$ 16,401 | \$ 16,394 |
| Common Dividend per Share | \$ 0.4025 | \$ 0.3925 | \$ 0.3925 | \$ 0.3925 | \$ 0.3925 |
| Payout Ratio (FFO per share basis) | 78.9% | 79.6% | 75.0% | 77.1% | 77.5% |

⁽¹⁾ The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations plus fixed charges, less capitalized interest. Fixed charges consist of interest expense, including amortized costs of debt issuance, plus interest costs capitalized.

⁽²⁾ Debt service coverage ratio is computed by dividing earnings before interest income and expense, depreciation, amortization and gain on sale of real estate by interest expense and principal amortization.

Washington Real Estate Investment Trust
Core Portfolio Net Operating Income (NOI) Growth & Rental Rate Growth
Q2 2005 vs. Q2 2004

Cash Basis

| <u>Sector</u> | <u>NOI Growth</u> | <u>Rental Rate Growth</u> |
|-------------------------------|-----------------------|-------------------------------|
| Multifamily | 4.6% | 3.1% |
| Office Buildings | -3.5% | -0.2% |
| Retail Centers | 3.1% | 1.1% |
| Industrial / Flex Properties | 3.2% | 3.4% |
| Overall Core Portfolio | -0.1% | 1.1% |

GAAP Basis

| <u>Sector</u> | <u>NOI Growth</u> | <u>Rental Rate Growth</u> |
|-------------------------------|-----------------------|-------------------------------|
| Multifamily | 4.8% | 3.2% |
| Office Buildings | -4.0% | -0.5% |
| Retail Centers | 3.1% | 1.1% |
| Industrial / Flex Properties | 4.9% | 3.9% |
| Overall Core Portfolio | -0.1% | 1.0% |

Washington Real Estate Investment Trust
Core Portfolio Net Operating Income (NOI) Summary
(In Thousands)

| | Three Months Ended June 30, | | |
|--------------------|-----------------------------|-----------------|--------------|
| | 2005 | 2004 | % Change |
| Cash Basis: | | | |
| Multifamily | \$ 4,567 | \$ 4,365 | 4.6% |
| Office Buildings | 14,852 | 15,394 | -3.5% |
| Retail Centers | 5,319 | 5,158 | 3.1% |
| Industrial/Flex | 4,712 | 4,565 | 3.2% |
| | <u>\$29,450</u> | <u>\$29,482</u> | <u>-0.1%</u> |
| GAAP Basis: | | | |
| Multifamily | \$ 4,569 | \$ 4,359 | 4.8% |
| Office Buildings | 15,264 | 15,894 | -4.0% |
| Retail Centers | 5,391 | 5,227 | 3.1% |
| Industrial/Flex | 4,762 | 4,540 | 4.9% |
| | <u>\$29,986</u> | <u>\$30,020</u> | <u>-0.1%</u> |

Washington Real Estate Investment Trust
Core Portfolio Net Operating Income (NOI) Detail
(In Thousands)

Three Months Ended June 30, 2005

| | Multifamily | Office | Retail | Industrial | Corporate and Other | Total |
|---|-----------------|-----------------|-----------------|-----------------|------------------------|------------------|
| Real estate rental revenue | | | | | | |
| Core Portfolio | \$ 7,579 | \$22,444 | \$ 7,000 | \$ 6,243 | \$ — | \$ 43,266 |
| Non-core- acquired ¹ | — | 792 | 1,132 | 1,419 | — | 3,343 |
| Total | 7,579 | 23,236 | 8,132 | 7,662 | — | 46,609 |
| Real estate expenses | | | | | | |
| Core Portfolio | 3,010 | 7,180 | 1,609 | 1,481 | — | 13,280 |
| Non-core- acquired ¹ | — | 228 | 177 | 301 | — | 706 |
| Total | 3,010 | 7,408 | 1,786 | 1,782 | — | 13,986 |
| Net Operating Income (NOI) | | | | | | |
| Core Portfolio | 4,569 | 15,264 | 5,391 | 4,762 | — | 29,986 |
| Non-core- acquired ¹ | — | 564 | 955 | 1,118 | — | 2,637 |
| Total | \$ 4,569 | \$15,828 | \$ 6,346 | \$ 5,880 | \$ — | \$ 32,623 |
| Core Portfolio NOI GAAP Basis (from above) | \$ 4,569 | \$15,264 | \$ 5,391 | \$ 4,762 | \$ — | \$ 29,986 |
| Straight-line revenue, net for core properties | (2) | (329) | (102) | (80) | — | (513) |
| Amortization of lease intangibles for core properties | — | (83) | 30 | 30 | — | (23) |
| Core portfolio NOI, Cash Basis | \$ 4,567 | \$14,852 | \$ 5,319 | \$ 4,712 | \$ — | \$ 29,450 |
| Reconciliation of NOI to Net Income | | | | | | |
| Total NOI | \$ 4,569 | \$15,828 | \$ 6,346 | \$ 5,880 | \$ — | \$ 32,623 |
| Other revenue | — | — | — | — | 207 | 207 |
| Other income from property settlement | — | — | — | — | 504 | 504 |
| Interest expense | (1,062) | (1,168) | (351) | (509) | (6,192) | (9,282) |
| Depreciation and amortization | (1,274) | (6,276) | (3,215) | (1,999) | (204) | (12,968) |
| General and administrative | — | — | — | — | (2,092) | (2,092) |
| Discontinued Operations ² | — | 1,883 | — | — | — | 1,883 |
| Net Income | \$ 2,233 | \$10,267 | \$ 2,780 | \$ 3,372 | \$ (7,777) | \$ 10,875 |

Three Months Ended June 30, 2004

| | Multifamily | Office | Retail | Industrial | Corporate and Other | Total |
|---|-----------------|-----------------|-----------------|-----------------|------------------------|------------------|
| Real estate rental revenue | | | | | | |
| Core Portfolio | \$ 7,176 | \$22,800 | \$ 6,803 | \$ 5,845 | \$ — | \$ 42,624 |
| Non-core- acquired ¹ | — | — | — | — | — | — |
| Total | 7,176 | 22,800 | 6,803 | 5,845 | — | 42,624 |
| Real estate expenses | | | | | | |
| Core Portfolio | 2,817 | 6,906 | 1,576 | 1,305 | — | 12,604 |
| Non-core- acquired ¹ | — | — | — | — | — | — |
| Total | 2,817 | 6,906 | 1,576 | 1,305 | — | 12,604 |
| Net Operating Income (NOI) | | | | | | |
| Core Portfolio | 4,359 | 15,894 | 5,227 | 4,540 | — | 30,020 |
| Non-core- acquired ¹ | — | — | — | — | — | — |
| Total | \$ 4,359 | \$15,894 | \$ 5,227 | \$ 4,540 | \$ — | \$ 30,020 |
| Core Portfolio NOI GAAP Basis (from above) | \$ 4,359 | \$15,894 | \$ 5,227 | \$ 4,540 | \$ — | \$ 30,020 |
| Straight-line revenue, net for core properties | 6 | (415) | (112) | (10) | — | (531) |
| Amortization of lease intangibles for core properties | — | (85) | 43 | 35 | — | (7) |
| Core portfolio NOI, Cash Basis | \$ 4,365 | \$15,394 | \$ 5,158 | \$ 4,565 | \$ — | \$ 29,482 |
| Reconciliation of NOI to Net Income | | | | | | |
| Total NOI | \$ 4,359 | \$15,894 | \$ 5,227 | \$ 4,540 | \$ — | \$ 30,020 |
| Other revenue | — | — | — | — | 115 | 115 |
| Non-Disposal Gain | — | — | — | — | — | — |
| Interest expense | (1,067) | (1,106) | — | (252) | (6,189) | (8,614) |
| Depreciation and amortization | (1,198) | (5,945) | (907) | (1,363) | (238) | (9,651) |
| General and administrative | — | — | — | — | (1,727) | (1,727) |
| Discontinued Operations ² | — | 939 | — | — | — | 939 |

| | | | | | | |
|------------|----------|----------|----------|----------|------------|-----------|
| Net Income | \$ 2,094 | \$ 9,782 | \$ 4,320 | \$ 2,925 | \$ (8,039) | \$ 11,082 |
|------------|----------|----------|----------|----------|------------|-----------|

¹ Non-core acquired properties for Q2 2005 and Q2 2004 were Shady Grove Medical Village II, 8301 Arlington Boulevard, Dulles Business Park, Frederick Crossing and the Coleman Building.

² Discontinued operations consists of: 8230 Boone Boulevard, 7700 Leesburg, Tycon Plaza II and Tycon Plaza III.

Washington Real Estate Investment Trust
Core Portfolio & Overall Occupancy Levels by Sector
Q2 2005 vs. Q2 2004

GAAP Basis

| Sector | Core Portfolio | | All Properties | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2nd QTR 2005 | 2nd QTR 2004 | 2nd QTR 2005 | 2nd QTR 2004 |
| Multifamily | 93.7% | 90.4% | 93.7% | 90.4% |
| Office Buildings | 89.6% | 90.6% | 89.8% | 88.9% |
| Retail Centers | 96.7% | 94.6% | 97.2% | 94.6% |
| Industrial / Flex Properties | 92.1% | 92.6% | 92.9% | 92.6% |
| Overall Portfolio | 91.7% | 91.4% | 92.0% | 90.3% |

Washington Real Estate Investment Trust
Schedule of Properties
June 30, 2005

| PROPERTIES | LOCATION | YEAR ACQUIRED | YEAR CONSTRUCTED | NET RENTABLE SQUARE FEET |
|---------------------------------------|-------------------|------------------|-----------------------------|-----------------------------|
| Office Buildings | | | | |
| 1901 Pennsylvania Avenue | Washington, DC | 1977 | 1960 | 97,000 |
| 51 Monroe Street | Rockville, MD | 1979 | 1975 | 208,000 |
| 515 King Street | Alexandria, VA | 1992 | 1966 | 78,000 |
| The Lexington Building | Rockville, MD | 1993 | 1970 | 46,000 |
| The Saratoga Building | Rockville, MD | 1993 | 1977 | 59,000 |
| Brandywine Center | Rockville, MD | 1993 | 1969 | 35,000 |
| 6110 Executive Boulevard | Rockville, MD | 1995 | 1971 | 199,000 |
| 1220 19th Street | Washington, DC | 1995 | 1976 | 102,000 |
| Maryland Trade Center I | Greenbelt, MD | 1996 | 1981 | 190,000 |
| Maryland Trade Center II | Greenbelt, MD | 1996 | 1984 | 158,000 |
| 1600 Wilson Boulevard | Arlington, VA | 1997 | 1973 | 166,000 |
| 7900 Westpark Drive | McLean, VA | 1997 | 1972/1986/1999 ¹ | 521,000 |
| Woodburn Medical Park I | Annandale, VA | 1998 | 1984 | 71,000 |
| Woodburn Medical Park II | Annandale, VA | 1998 | 1988 | 96,000 |
| 600 Jefferson Plaza | Rockville, MD | 1999 | 1985 | 115,000 |
| 1700 Research Boulevard | Rockville, MD | 1999 | 1982 | 103,000 |
| Parklawn Plaza | Rockville, MD | 1999 | 1986 | 40,000 |
| Wayne Plaza | Silver Spring, MD | 2000 | 1970 | 91,000 |
| Courthouse Square | Alexandria, VA | 2000 | 1979 | 113,000 |
| One Central Plaza | Rockville, MD | 2001 | 1974 | 267,000 |
| The Atrium Building | Rockville, MD | 2002 | 1980 | 81,000 |
| 1776 G Street | Washington, DC | 2003 | 1979 | 262,000 |
| Prosperity Medical Center I | Merrifield, VA | 2003 | 2000 | 92,000 |
| Prosperity Medical Center II | Merrifield, VA | 2003 | 2001 | 88,000 |
| Prosperity Medical Center III | Merrifield, VA | 2003 | 2002 | 75,000 |
| Shady Grove Medical Village II | Rockville, MD | 2004 | 1999 | 66,000 |
| 8301 Arlington Boulevard | Fairfax, VA | 2004 | 1965 | 50,000 |
| Subtotal | | | | 3,469,000 |
| Retail Centers | | | | |
| Takoma Park | Takoma Park, MD | 1963 | 1962 | 51,000 |
| Westminster | Westminster, MD | 1972 | 1969 | 146,000 |
| Concord Centre | Springfield, VA | 1973 | 1960 | 76,000 |
| Wheaton Park | Wheaton, MD | 1977 | 1967 | 72,000 |
| Bradlee | Alexandria, VA | 1984 | 1955 | 168,000 |
| Chevy Chase Metro Plaza | Washington, DC | 1985 | 1975 | 50,000 |
| Montgomery Village Center | Gaithersburg, MD | 1992 | 1969 | 198,000 |
| Shoppes of Foxchase | Alexandria, VA | 1994 | 1960 | 128,000 |
| Frederick County Square | Frederick, MD | 1995 | 1973 | 227,000 |
| 800 S. Washington Street ² | Alexandria, VA | 1998/2003 | 1955/1959 | 45,000 |
| Centre at Hagerstown | Hagerstown, MD | 2002 | 2000 | 334,000 |
| Frederick Crossing | Frederick, MD | 2005 | 1999/2003 | 295,000 |
| Subtotal | | | | 1,790,000 |

¹ A 49,000 square foot addition to 7900 Westpark Drive was completed in September 1999.

² South Washington Street includes 718 Jefferson Street, acquired in May 2003 to complete the ownership of the entire block of 800 S. Washington Street.

Washington Real Estate Investment Trust
Schedule of Properties (Cont.)
June 30, 2005

| PROPERTIES | LOCATION | YEAR ACQUIRED | YEAR CONSTRUCTED | NET RENTABLE* SQUARE FEET |
|--|------------------|------------------|------------------------|------------------------------|
| <u>Multifamily Buildings * / # units</u> | | | | |
| 3801 Connecticut Avenue / 307 | Washington, DC | 1963 | 1951 | 177,000 |
| Roosevelt Towers / 190 | Falls Church, VA | 1965 | 1964 | 168,000 |
| Country Club Towers / 227 | Arlington, VA | 1969 | 1965 | 159,000 |
| Park Adams / 200 | Arlington, VA | 1969 | 1959 | 172,000 |
| Munson Hill Towers / 279 | Falls Church, VA | 1970 | 1963 | 259,000 |
| The Ashby at McLean / 250 | McLean, VA | 1996 | 1982 | 244,000 |
| Walker House Apartments / 212 | Gaithersburg, MD | 1996 | 1971/2003 ³ | 154,000 |
| Bethesda Hill Apartments / 194 | Bethesda, MD | 1997 | 1986 | 226,000 |
| Avondale / 236 | Laurel, MD | 1999 | 1987 | 170,000 |
| Subtotal (2,095 units) | | | | 1,729,000 |
| <u>Industrial Distribution / Flex Properties</u> | | | | |
| Fullerton Business Center | Springfield, VA | 1985 | 1980 | 104,000 |
| Pepsi-Cola Distribution Center | Forestville, MD | 1987 | 1971 | 69,000 |
| Charleston Business Center | Rockville, MD | 1993 | 1973 | 85,000 |
| Tech 100 Industrial Park | Elkridge, MD | 1995 | 1990 | 167,000 |
| Crossroads Distribution Center | Elkridge, MD | 1995 | 1987 | 85,000 |
| The Alban Business Center | Springfield, VA | 1996 | 1981/1982 | 87,000 |
| The Earhart Building | Chantilly, VA | 1996 | 1987 | 93,000 |
| Ammendale Technology Park I | Beltsville, MD | 1997 | 1985 | 167,000 |
| Ammendale Technology Park II | Beltsville, MD | 1997 | 1986 | 108,000 |
| Pickett Industrial Park | Alexandria, VA | 1997 | 1973 | 246,000 |
| Northern Virginia Industrial Park | Lorton, VA | 1998 | 1968/1991 | 788,000 |
| 8900 Telegraph Road | Lorton, VA | 1998 | 1985 | 32,000 |
| Dulles South IV | Chantilly, VA | 1999 | 1988 | 83,000 |
| Sully Square | Chantilly, VA | 1999 | 1986 | 95,000 |
| Amvax | Beltsville, MD | 1999 | 1986 | 31,000 |
| Sullyfield Center | Chantilly, VA | 2001 | 1985 | 245,000 |
| Fullerton Industrial Center | Springfield, VA | 2003 | 1980 | 137,000 |
| 8880 Gorman Road | Laurel, MD | 2004 | 2000 | 141,000 |
| Dulles Business Park Portfolio | Chantilly, VA | 2004/2005 | 1999-2005 | 325,000 |
| Subtotal | | | | 3,088,000 |
| TOTAL | | | | 10,076,000 |

* Multifamily buildings are presented in gross square feet.

³ A 16 unit addition referred to as The Gardens at Walker House was completed in October 2003.

Washington Real Estate Investment Trust
Commercial Leasing Summary
Three and six months ended 06/30/05

| | Three months ended 30-Jun-05 | | Six months ended 30-Jun-05 | |
|--|---------------------------------|------------------------------------|-------------------------------|------------------------------------|
| Gross Leasing Square Footage | | | | |
| Office Buildings | 95,512 | | 425,067 | |
| Retail Centers | 47,392 | | 83,995 | |
| Industrial Centers | 191,543 | | 377,642 | |
| Total | 334,447 | | 886,704 | |
| Weighted Average Term (yrs) | | | | |
| Office Buildings | 4.1 | | 5.2 | |
| Retail Centers | 3.8 | | 5.5 | |
| Industrial Centers | 5.3 | | 4.4 | |
| Total | 4.7 | | 4.8 | |
| | GAAP | CASH | GAAP | CASH |
| Rental Rate Increases: | | | | |
| Rate on expiring leases | | | | |
| Office Buildings | \$ 26.56 | \$ 27.07 | \$ 30.99 | \$ 31.55 |
| Retail Centers | 25.13 | 25.69 | 25.59 | 26.11 |
| Industrial Centers | 8.95 | 9.09 | 8.42 | 8.54 |
| Total | \$ 16.27 | \$ 16.58 | \$ 20.86 | \$ 21.23 |
| Rate on new and renewal leases | | | | |
| Office Buildings | \$ 26.93 | \$ 25.64 | \$ 32.50 | \$ 31.00 |
| Retail Centers | 30.25 | 28.37 | 32.12 | 29.62 |
| Industrial Centers | 9.33 | 8.53 | 8.82 | 8.23 |
| Total | \$ 17.32 | \$ 16.23 | \$ 22.38 | \$ 21.17 |
| % Increase | | | | |
| Office Buildings | 1.39% | -5.28% | 4.87% | -1.74% |
| Retail Centers | 20.37% | 10.43% | 25.52% | 13.44% |
| Industrial Centers | 4.25% | -6.16% | 4.75% | -3.63% |
| Total | 6.45% | -2.11% | 7.29% | -0.28% |
| | Total Dollars | Dollars per Square Foot | Total Dollars | Dollars per Square Foot |
| Tenant Improvements and Leasing Costs | | | | |
| Office Buildings | \$1,488,557 | \$ 15.59 | \$ 7,247,598 | \$ 17.05 |
| Retail Centers | 513,735 | 10.84 | 1,032,126 | 12.29 |
| Industrial Centers | 1,547,461 | 8.08 | 1,846,702 | 4.89 |
| Total | \$3,549,753 | \$ 10.61 | \$10,126,426 | \$ 11.42 |

Washington Real Estate Investment Trust
10 Largest Tenants - Based on Annualized Rent
June 30, 2005

| <u>Tenant</u> | <u>Number of Buildings</u> | <u>Weighted Average Remaining Lease Term in Months</u> | <u>Percentage of Aggregate Portfolio Annualized Rent</u> | <u>Aggregate Rentable Square Feet</u> | <u>Percentage of Aggregate Occupied Square Feet</u> |
|---------------------------------|----------------------------|--|--|---------------------------------------|---|
| World Bank** | 1 | 56 | 4.38% | 149,284 | 2.00% |
| Sunrise Senior Living, Inc. | 1 | 99 | 3.49% | 180,066 | 2.42% |
| General Services Administration | 5 | 44 | 2.27% | 231,649 | 3.11% |
| Sun Microsystems, Inc. | 1 | 18 | 2.24% | 110,184 | 1.48% |
| INOVA Health Care Services | 4 | 59 | 1.98% | 83,631 | 1.12% |
| International Monetary Fund** | 1 | 6 | 1.74% | 59,146 | 0.79% |
| George Washington University | 2 | 36 | 1.53% | 66,066 | 0.89% |
| IQ Solutions | 1 | 60 | 1.38% | 58,473 | 0.78% |
| United Communications Group | 1 | 35 | 1.26% | 63,189 | 0.85% |
| Lockheed Corporation | 2 | 15 | 1.20% | 73,770 | 0.99% |
| Total/Weighted Average | | 49 | 21.48% | 1,075,458 | 14.43% |

** World Bank has an executed lease for expansion into the International Monetary Fund space effective 1/1/06 for a term of 60 months - World Bank's percentage of aggregate rent will be 6.13% and 2.80% of aggregate square feet.

Washington Real Estate Investment Trust

Lease Expirations

June 30, 2005

| Year | Number of Leases | Rentable Square Feet | Percent of Rentable Square Feet | Annualized Rent * | Average Rental Rate | Percent of Annualized Rent * |
|---------------------|------------------|----------------------|---------------------------------|-----------------------|---------------------|------------------------------|
| Office: | | | | | | |
| 2005 | 51 | 125,619 | 4.2% | \$ 3,718,935 | \$29.60 | 4.5% |
| 2006 | 114 | 479,400 | 16.1% | 12,703,474 | 26.50 | 15.2% |
| 2007 | 84 | 295,205 | 9.9% | 7,737,570 | 26.21 | 9.3% |
| 2008 | 83 | 395,969 | 13.3% | 11,306,226 | 28.55 | 13.6% |
| 2009 | 76 | 372,985 | 12.5% | 10,125,759 | 27.15 | 12.1% |
| 2010 and thereafter | 159 | 1,315,968 | 44.1% | 37,823,325 | 28.74 | 45.3% |
| | <u>567</u> | <u>2,985,146</u> | <u>100.0%</u> | <u>\$ 83,415,289</u> | <u>\$27.94</u> | <u>100.0%</u> |
| Retail: | | | | | | |
| 2005 | 15 | 25,359 | 1.5% | \$ 659,314 | \$26.00 | 2.4% |
| 2006 | 46 | 153,260 | 8.8% | 2,977,322 | 19.43 | 10.8% |
| 2007 | 54 | 163,040 | 9.4% | 3,441,132 | 21.11 | 12.5% |
| 2008 | 28 | 175,320 | 10.1% | 1,637,233 | 9.34 | 6.0% |
| 2009 | 33 | 141,799 | 8.1% | 2,790,812 | 19.68 | 10.2% |
| 2010 and thereafter | 104 | 1,083,865 | 62.2% | 15,968,171 | 14.73 | 58.1% |
| | <u>280</u> | <u>1,742,643</u> | <u>100.0%</u> | <u>\$ 27,473,984</u> | <u>\$15.77</u> | <u>100.0%</u> |
| Industrial: | | | | | | |
| 2005 | 36 | 298,384 | 10.9% | \$ 2,520,697 | \$ 8.45 | 10.4% |
| 2006 | 54 | 518,703 | 19.0% | 4,751,248 | 9.16 | 19.6% |
| 2007 | 28 | 282,317 | 10.4% | 2,196,580 | 7.78 | 9.0% |
| 2008 | 39 | 509,223 | 18.7% | 4,414,182 | 8.67 | 18.2% |
| 2009 | 35 | 514,331 | 18.9% | 4,649,872 | 9.04 | 19.2% |
| 2010 and thereafter | 34 | 602,352 | 22.1% | 5,727,328 | 9.51 | 23.6% |
| | <u>226</u> | <u>2,725,310</u> | <u>100.0%</u> | <u>\$ 24,259,907</u> | <u>\$ 8.90</u> | <u>100.0%</u> |
| Total: | | | | | | |
| 2005 | 102 | 449,362 | 6.0% | \$ 6,898,946 | \$15.35 | 5.1% |
| 2006 | 214 | 1,151,363 | 15.4% | 20,432,044 | 17.75 | 15.1% |
| 2007 | 166 | 740,562 | 9.9% | 13,375,282 | 18.06 | 9.9% |
| 2008 | 150 | 1,080,512 | 14.5% | 17,357,641 | 16.06 | 12.9% |
| 2009 | 144 | 1,029,115 | 13.8% | 17,566,443 | 17.07 | 13.0% |
| 2010 and thereafter | 297 | 3,002,185 | 40.3% | 59,518,824 | 19.83 | 44.0% |
| | <u>1,073</u> | <u>7,453,099</u> | <u>100.0%</u> | <u>\$ 135,149,180</u> | <u>\$18.13</u> | <u>100.0%</u> |

* Annualized Rent is as of June 30, 2005 rental revenue (cash basis) multiplied by 12.

Washington Real Estate Investment Trust
2005 Acquisition, Disposition and Development Summary
as of June 30, 2005
(\$'s in thousands)

Acquisition Summary

| | Acquisition Date | Square Feet | Leased Percentage at Acquisition | June 30, 2005 Leased Percentage | Investment |
|--|------------------|-------------|----------------------------------|---------------------------------|------------------|
| Frederick Crossing Shopping Center Frederick, MD | 03/23/05 | 294,724 | 100% | 100% | \$ 45,100 |
| Coleman Building Chantilly, VA | 04/08/05 | 59,767 | 64% | 83% | \$ 8,800 |
| Total | | | | | \$ 53,900 |

Disposition Summary

| | Disposition Date | Property Type | Square Feet | Sale Price (in thousands) | GAAP Gain |
|--------------------|------------------|---------------|----------------|---------------------------|------------------|
| 7700 Leesburg Pike | 02/01/05 | Office | 147,000 | \$ 20,150 | \$ 8,527 |
| Tycon Plaza II | 02/01/05 | Office | 127,000 | \$ 19,400 | \$ 8,867 |
| Tycon Plaza III | 02/01/05 | Office | 137,000 | \$ 27,950 | \$ 14,696 |
| Boone Blvd | 11/15/04 | Office | 58,000 | \$ 10,000 | \$ 1,883* |
| Total | | | 469,000 | \$ 77,500 | \$ 33,973 |

* Reflects the recognition of deferred gain in conjunction with property disposal in November 2004.

Development Summary

| | Property and Location | Total Rentable Square Feet or # of Units | Percentage Leased or Committed | Anticipated Total Cash Cost | Cash Cost to Date | Anticipated Construction Completion Date |
|-----------------------|---|--|--------------------------------|-----------------------------|-----------------------|--|
| <i>Development</i> | | | | | | |
| | Rosslyn Towers ¹ (High Rise) | 178 units & 1,600 sq ft. retail | 0% | | | 1Q 07 |
| | (Medium Rise) | 46 units & 4,300 sq ft. retail | 0% | | | 4Q 06 |
| | Arlington, VA | | | \$ 56,100 | \$14,146 ³ | |
| | South Washington Street ² Alexandria, VA | 75 units & 4,500 sq ft. retail | 0% | \$ 20,200 | \$ 3,349 ³ | 1Q 07 |
| Total | | | | \$ 76,300 | \$ 17,495 | |
| <i>Re-development</i> | | | | | | |
| | Foxchase Shopping Center ⁴ Alexandria, VA | 60,600 sq ft. | 97% | \$ 6,000 | \$ 876 | 4Q 06 |

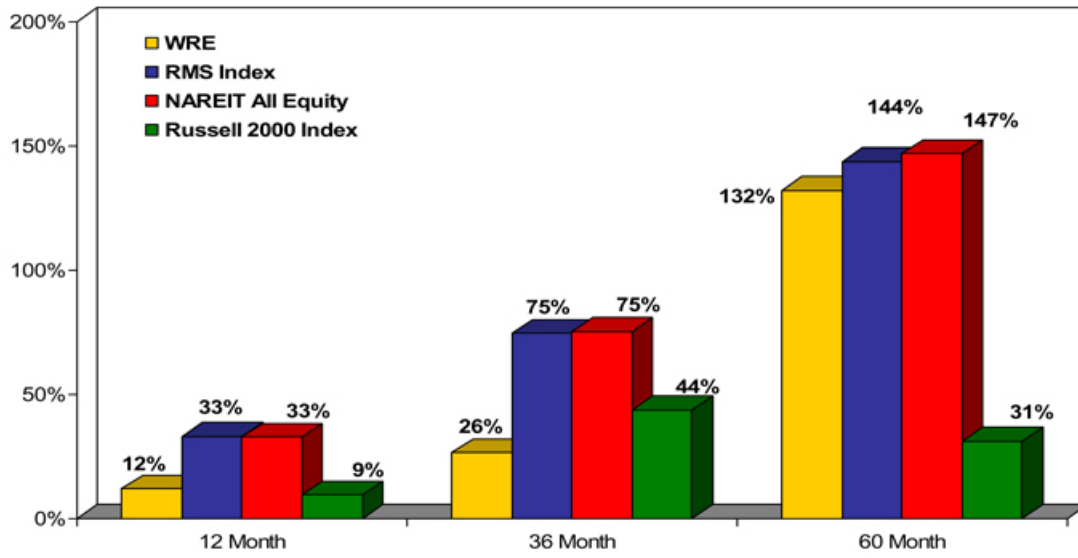
¹ Rosslyn Towers, formerly known as WRIT Rosslyn Center, is a planned 224 unit multifamily property. 1620 Wilson Boulevard was acquired in conjunction with the overall development plan for Rosslyn Towers.

² 718 E. Jefferson Street was acquired to complete our ownership of the entire block of 800 S. Washington Street. The surface parking lot on this block is now in the preliminary stages of development. We refer to this development project as South Washington Street.

³ Includes land cost.

⁴ Redevelopment in connection with a lease executed in September 2004 with a regional grocery store chain.

WRIT vs. Morgan Stanley REIT Index & NAREIT All Equity Index & Russell 2000
12, 36, and 60 Month Total Returns
June 30, 2005



Source: SNL InteractiveX

Washington Real Estate Investment Trust
Reporting Definitions
June 30, 2005

Annualized base rent (ABR) is calculated as monthly base rent (cash basis) per the lease, as of the reporting period, multiplied by 12.

Debt to total market capitalization is total debt from the balance sheet divided by the sum of total debt from the balance sheet plus the market value of shares outstanding at the end of the period.

EBITDA (a non-GAAP measure) is earnings before interest, taxes, depreciation and amortization.

Ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations (or net income if there are no discontinued operations) plus fixed charges, less capitalized interest. Fixed charges consist of interest expense, including amortized costs of debt issuance, plus interest costs capitalized.

Debt service coverage ratio is computed by dividing earnings before interest income and expense, depreciation, amortization and gain on sale of real estate by interest expense and principal amortization.

Funds from operations (FFO) - The National Association of Real Estate Investment Trusts, Inc. (NAREIT) defines FFO (April, 2002 White Paper) as net income (computed in accordance with generally accepted accounting principles (GAAP)) excluding gains (or losses) from sales of property plus real estate depreciation and amortization. FFO is a non-GAAP measure.

Funds Available for Distribution (FAD), a non-GAAP measure, is calculated by subtracting from FFO recurring expenditures, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream and straight line rents, then adding non-real estate depreciation and amortization and rent abatement amortization, and adding or subtracting amortization of lease intangibles, as appropriate.

Recurring capital expenditures represents non-accretive building improvements and leasing costs required to maintain current revenues. Recurring capital expenditures do not include acquisition capital that was taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard."

Rent increases on renewals and rollovers are calculated as the difference, weighted by square feet, of the net ABR due the first month after a term commencement date and the net ABR due the last month prior to the termination date of the former tenant's term.

Core portfolio properties include all properties that were owned for the entirety of the current and prior year reporting periods.

Core portfolio net operating income (NOI) growth is the change in the NOI of the core portfolio properties from the prior reporting period to the current reporting period.