SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **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, 2005

COMMISSION FILE NO. 1-6622

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

MARYLAND	53-0261100
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
6110 EXECUTIVE BOULEVARD, SUITE 800, ROCKVILLE, MARYLAND	20852
(Address of principal executive office)	(Zip code)

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

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

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 reports) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES ☒ NO ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

YES ☒ NO ☐

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date, July 29, 2005.

SHARES OF BENEFICIAL INTEREST 42,123,032

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WASHINGTON REAL ESTATE INVESTMENT TRUST

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Part I

FINANCIAL INFORMATION

The information furnished in the accompanying Consolidated Balance Sheets, Statements of Income, Statements of Cash Flows and Statement of Changes in Shareholders’ Equity reflects 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 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, 2004 included in the Trust’s 2004 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

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ITEM I. FINANCIAL STATEMENTS

WASHINGTON REAL ESTATE INVESTMENT TRUST

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

	(Unaudited) June 30, 2005	December 31, 2004
Assets		
Land	$ 219,492	$ 205,590
Income producing property	953,084	899,004
Accumulated depreciation	(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	$ 1,049,048	$ 1,012,393
Liabilities and Shareholders' Equity		
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 payable	—	117,000
Notes payable	420,000	320,000
Total liabilities	658,584	644,755
Minority Interest	1,646	1,629
Shareholders' Equity		
Shares of beneficial interest; $0.01 par value; 100,000 shares authorized: 42,123 and 42,000 shares issued and outstanding	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	388,818	366,009
Total Liabilities and Shareholders' Equity	$ 1,049,048	$ 1,012,393

See accompanying notes to the financial statements.

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WASHINGTON REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(UNAUDITED)

	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
	46,816	42,738	92,317	85,068
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
	38,328	32,595	73,918	64,465
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 held for sale	—	939	234	1,781
Gain on sale of real estate investment	1,883	—	33,973	—
	1,883	939	34,207	1,781
Net income	$ 10,875	$ 11,082	$ 53,110	$ 22,384
Net income per share – basic				
Continuing operations	$ 0.21	$ 0.25	$ 0.45	$ 0.50
Discontinued operations	0.05	0.02	0.82	0.04
Net income per share –basic	$ 0.26	$ 0.27	$ 1.27	$ 0.54
Net income per share – diluted				
Continuing operations	$ 0.21	$ 0.24	$ 0.45	$ 0.50
Discontinued operations	0.05	0.02	0.81	0.04
Net income per share – diluted	$ 0.26	$ 0.26	$ 1.26	$ 0.54
Weighted average shares outstanding – basic	41,932	41,638	41,899	41,605
Weighted average shares outstanding – diluted	42,059	41,838	42,023	41,831
Dividends paid per share	$ 0.4025	$ 0.3925	$ 0.7950	$ 0.7650

See accompanying notes to the financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands)
(UNAUDITED)

	Shares	Par Value	Deferred Compensation	Additional Paid in Capital	Distributions In Excess of Net Income	Shareholders' Equity
Balance, December 31, 2004	42,000	$ 420	$ (3,896)	$ 405,030	$ (35,545)	$ 366,009
Net income	—	—	—	—	53,110	53,110
Dividends	—	—	—	—	(33,443)	(33,443)
Share options exercised	127	1	—	2,674	—	2,675
Share grants and amortization, net of forfeitures	(4)	—	599	(132)	—	467
Balance, June 30, 2005	42,123	$ 421	$ (3,297)	$ 407,572	$ (15,878)	$ 388,818

See accompanying notes to the financial statements.

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WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	(Unaudited) Six Months Ended June 30,	
	2005	2004
Cash flows from operating activities		
Net income	$ 53,110	$ 22,384
Adjustments to reconcile net income to net cash provided by operating activities		
Gain on sale of real estate	(33,973)	—
Depreciation and amortization	23,531	19,993
Provision for losses on accounts receivable	613	519
Amortization and accrual of share grants	467	291
Changes in other assets	320	(1,042)
Changes in other liabilities	5,156	3,924
Net cash provided by operating activities	49,224	46,069
Cash flows from investing activities		
Real estate acquisitions, net*	(29,814)	(11,682)
Net cash received from sale of real estate	68,080	—
Restricted cash held in escrow for tax-free exchanges	(3,470)	—
Capital improvements to real estate	(20,231)	(14,281)
Non-real estate capital improvements	(392)	(46)
Cash provided by (used in) investing activities	14,173	(26,009)
Cash flows from financing activities		
Line of credit (repayments)/borrowings, net	(117,000)	13,250
Dividends paid	(33,443)	(31,952)
Principal payments – mortgage notes payable	(1,479)	(911)
Net proceeds from debt offering	98,961	—
Net proceeds from the exercise of share options	2,675	2,390
Net cash used in financing activities	(50,286)	(17,223)
Net increase in cash and cash equivalents	13,111	2,837
Cash and cash equivalents, beginning of period	5,562	5,467
Cash and cash equivalents, end of period	$ 18,673	$ 8,304
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 16,988	$ 14,034

* Supplemental discussion of non-cash investing and financing activities: On March 23, 2005 we purchased Frederick Crossing Shopping Center for $44.8 million. We assumed a mortgage in the amount of $24.3 million, fair valued at $25.0 million, and funded the balance ($20.5 million) utilizing $1.0 million in credit facility borrowings and $19.5 million of the $31.3 million in cash escrowed from the sale of Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike in February 2005. The $24.3 million of assumed mortgage is not included in the $20.9 million shown as real estate acquisitions for the three months ended March 31, 2005, as the assumption of the mortgage was a non-cash acquisition cost. On April 9, 2005 we purchased the DBP Coleman Building for $8.8 million which was funded in part ($8.3 million) from cash escrowed from the aforementioned sale of Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike.

See accompanying notes to the financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2005
(UNAUDITED)

NOTE 1: NATURE OF BUSINESS

Washington Real Estate Investment Trust ("WRIT," the "Company" or the "Trust"), a Maryland Real Estate Investment Trust, is a self-administered, self-managed equity real estate investment trust, successor to a trust organized in 1960. Our business consists of the ownership of income-producing real estate properties in the greater Washington – Baltimore region. We own a diversified portfolio of office buildings, industrial/flex properties, multifamily buildings and retail centers.

Federal Income Taxes

We believe we qualify as a Real Estate Investment Trust (REIT) under Sections 856-860 of the Internal Revenue Code and intend to continue to qualify as such. To maintain our status as a REIT, we are required to distribute at least 90% of our ordinary taxable income to our shareholders. When selling properties, we have the option of (i) reinvesting the sale price of properties sold, allowing for a deferral of income taxes on the sale, (ii) paying out capital gains to the shareholders with no tax to the company or (iii) treating the capital gains as having been distributed to the shareholders, paying the tax on the gain deemed distributed and allocating the tax paid as a credit to the shareholders. All except approximately $3.5 million of gains on the sale of properties disposed during the first six months of 2005 were reinvested in replacement properties. Gains from the property disposed in 2004 were distributed to the shareholders.

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 we believe that the disclosures made are adequate to make the information presented not misleading. In addition, in the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These unaudited financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2004.

Within these notes to the financial statements, we refer to the three and six months ended June 30, 2005 as the "2005 Quarter" and "2005 Period", respectively, and the three and six months ended June 30, 2004 as the "2004 Quarter" and "2004 Period", respectively.

New Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). This Interpretation addresses the consolidation of variable interest entities ("VIE") in which the equity investors lack one or more of the essential characteristics of a controlling financial interest or where the equity investment at risk is not sufficient for the entity to finance its activities without subordinated financial support from other parties. For entities identified as VIE, FIN 46 sets forth a model to evaluate potential consolidation based on an assessment of which party to the VIE, if any, bears a majority of the exposure to its expected losses, or stands to gain from a majority of its expected returns. FIN 46 also sets forth certain disclosures regarding interests in VIE that are deemed significant, even if consolidation is not required. In December 2003, the FASB issued a revised Interpretation No. 46 which modifies and clarifies various aspects of the original Interpretation. The adoption of this statement and of the revised interpretation did not have any impact on our financial condition or results of operations, as we do not have any variable interest entities as defined in FIN 46R.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). In particular, it requires that mandatorily redeemable financial instruments be classified as liabilities and reported at fair value and that changes in their fair values be reported as interest cost. SFAS No. 150 was effective for the company as of July 1, 2003. On October 29, 2003, the FASB indefinitely delayed the provision of the statement related to non-controlling interests in limited-life subsidiaries that are consolidated. Based on FASB's deferral of this provision, adoption of SFAS No. 150 did not affect the company's financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2005
(UNAUDITED)

In December, 2004, the FASB issued SFAS No. 123R, "Share-Based Payment." This statement is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes APB opinion No. 25 (APB25), "Accounting for Stock Issued to Employees." SFAS No. 123R addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS No. 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values and eliminates the intrinsic value method of accounting in APB25, which was permitted under SFAS No. 123, as originally issued. The revised statement requires entities to disclose information about the nature of the share-based payment transactions and the effects of those transactions on the financial statements. The provisions of this statement are effective for interim or annual periods beginning after June 15, 2005. All public companies must use either the modified prospective or the modified retrospective transition method of adoption. On April 14, 2005 the Securities and Exchange Commission adopted a new rule that allows companies to implement SFAS No. 123R at the beginning of their next fiscal year, instead of the next reporting period, that begins after June 15, 2005. We will adopt SFAS No. 123R at the beginning of our 2006 fiscal year. We are currently evaluating the provisions of this revision to determine the impact on our consolidated financial statements. It is, however, expected to have some negative effect on consolidated net income.

Revenue Recognition

Residential properties (our Multifamily segment) are leased under operating leases with terms of generally one year or less, and commercial properties (our Office, Retail and Industrial segments) are leased under operating leases with average terms of three to seven years. We recognize rental income and rental abatements from our residential and commercial leases when earned on a straight-line basis in accordance with SFAS No. 13 "Accounting for Leases." We record a provision for losses on accounts receivable equal to the estimated uncollectible amounts. This estimate is based on our historical experience and a review of the current status of the company's receivables. Percentage rents, which represent additional rents based on gross tenant sales, are recognized when tenants' sales exceed specified thresholds.

In accordance with SFAS No. 66, "Accounting for Sales of Real Estate," sales are recognized at closing only when sufficient down payments have been obtained, possession and other attributes of ownership have been transferred to the buyer and we have no significant continuing involvement.

We recognize cost reimbursement income from pass-through expenses on an accrual basis over the periods in which the expenses were incurred. Pass-through expenses are comprised of real estate taxes, operating expenses and common area maintenance costs which are reimbursed by tenants in accordance with specific allowable costs per tenant lease agreements.

Minority Interest

We entered into an operating agreement with a member of the entity that previously owned Northern Virginia Industrial Park in conjunction with the acquisition of this property in May 1998. This resulted in a minority ownership interest in this property based upon defined company ownership units at the date of purchase. The operating agreement was amended and restated in 2002 resulting in a reduced minority ownership percentage interest. We account for this activity by allocating the minority owner's percentage ownership interest of the net income of the property to minority interest included in our general and administrative expenses, thereby reducing net income. Minority interest expense was $36,700 and $82,500 for the 2005 Quarter and 2005 Period, respectively, and $38,000 and $77,000 for the 2004 Quarter and the 2004 Period, respectively. Quarterly distributions are made to the minority owner equal to the quarterly dividend per share for each ownership unit.

Deferred Financing Costs

Costs associated with the issuance of mortgage and other notes and fees associated with the lines of credit are capitalized and amortized using the straight-line method which approximates the effective interest rate method over the term of the related debt. The amortization is included in interest expense on the accompanying consolidated statements of income. The amortization of debt costs included in interest expense totaled $0.3 million for both the 2005 and 2004 Quarters and $0.6 million for both the 2005 and 2004 Periods.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2005
(UNAUDITED)

Deferred Leasing Costs

Costs associated with the successful negotiation of leases are capitalized and amortized on a straight-line basis over the terms of the respective leases.

Real Estate and Depreciation

Buildings are depreciated on a straight-line basis over estimated useful lives ranging from 28 to 50 years. All capital improvement expenditures associated with replacements, improvements, or major repairs to real property that extend its useful life are capitalized and depreciated using the straight-line method over their estimated useful lives ranging from 3 to 30 years. All tenant improvements are amortized over the shorter of the useful life of the improvements or the term of the related tenant lease. Real estate depreciation expense for the 2005 Quarter and 2005 Period was $11.6 million and $21.0 million, respectively, and $8.5 million and $16.8 million for the 2004 Quarter and 2004 Period, respectively. Maintenance and repair costs are charged to expense as incurred.

We capitalize interest costs recognized on borrowing obligations while qualifying assets are being readied for their intended use in accordance with SFAS No. 34, "Capitalization of Interest Cost." Total interest expense capitalized to real estate assets related to development and major renovation activities was $234,000 and $441,000 for the 2005 Quarter and 2005 Period, respectively, and $254,000 and $332,000 for the 2004 Quarter and 2004 Period, respectively. Interest capitalized is amortized over the useful life of the related underlying assets upon those assets being placed into service.

We recognize 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. If such carrying amount is in excess of the estimated cash flows from the operation and disposal of the property, we would recognize an impairment loss equivalent to an amount required to adjust the carrying amount to the estimated fair market value. There were no property impairments recognized during the 2005 and 2004 periods.

We allocate the purchase price of acquired properties to the related physical assets and in-place leases based on their fair values, based on SFAS No. 141, "Business Combinations." The fair values of acquired buildings are determined on an "as-if-vacant" basis considering a variety of factors, including the physical condition and quality of the buildings, estimated rental and absorption rates, estimated future cash flows and valuation assumptions consistent with current market conditions. The "as-if-vacant" fair value is allocated to land, building and tenant improvements based on property tax assessments and other relevant information obtained in connection with the acquisition of the property.

The fair value of in-place leases consists of the following components – (1) the estimated cost to us to replace the leases, including foregone rents during the period of finding a new tenant, foregone recovery of tenant pass-through expenses, tenant improvements, and other direct costs associated with obtaining a new tenant (referred to as "Tenant Origination Cost"); (2) estimated leasing commissions associated with obtaining a new tenant (referred to as "Leasing Commissions"); (3) the above/at/below market cash flow of the leases, determined by comparing the projected cash flows of the leases in place to projected cash flows of comparable market-rate leases (referred to as "Net Lease Intangible"); and (4) the value, if any, of customer relationships, determined based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the tenant (referred to as "Customer Relationship Value").

The amounts used to calculate Tenant Origination Cost, Leasing Commissions, and Net Lease Intangible are discounted using an interest rate which reflects the risks associated with the leases acquired. Tenant Origination Costs are included in Real Estate Assets on our balance sheet and are amortized as depreciation expense on a straight-line basis over the remaining life of the underlying leases. Leasing Commissions are classified as Other Assets and are amortized as amortization expense on a straight-line basis over the remaining life of the underlying leases. The aggregate value of the cash flow for the above market leases results in Net Lease Intangible Assets which are classified as Other Assets and are amortized on a straight-line basis as a decrease to Real Estate Rental Revenue over the remaining term of the underlying leases. The aggregate value of the cash flow for the below market leases results in Net Lease Intangible Liabilities which are classified as Other Liabilities and are amortized on a straight-line basis as an increase to Real Estate Rental Revenue over the remaining term of the underlying leases. The aggregate value of the cash flow of leases at market results in no additional assets or liabilities.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Should a tenant terminate its lease, the unamortized portions of the Tenant Origination Cost, Leasing Commissions, and Net Lease Intangible associated with that lease are written off to depreciation expense, amortization expense, and rental revenue, respectively.

Balances net of accumulated depreciation or amortization, as appropriate, of the components of the fair value of in-place leases at June 30, 2005 and December 31, 2004 are as follows (in millions):

	June 30, 2005	December 31, 2004
Tenant Origination Costs	$ 7.1	$ 6.3
Leasing Commissions	$ 4.5	$ 4.1
Net Lease Intangible Assets	$ 4.4	$ 4.8
Net Lease Intangible Liabilities	$ 6.3	$ 3.4

Amortization of these components combined was $0.7 million for the 2005 Quarter and $1.5 million for the 2005 Period and $0.5 million and $0.9 million for the 2004 Quarter and 2004 Period, respectively.

No value had been assigned to Customer Relationship Value at June 30, 2005 or December 31, 2004.

Discontinued Operations

We classify properties as held for sale when they meet the necessary criteria specified by SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets”, (SFAS 144). These include: senior management commits to and actively embarks upon a plan to sell the assets, the sale is expected to be completed within one year under terms usual and customary for such sales and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Depreciation on these properties is discontinued, but operating revenues, operating expenses and interest expense continue to be recognized until the date of sale.

Under SFAS 144, revenues and expenses of properties that are either sold or classified as held for sale are presented as discontinued operations for all periods presented in the Consolidated Statements of Income.

Cash and Cash Equivalents

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

Restricted Cash

Restricted cash at June 30, 2005 consists of $3.5 million in funds escrowed from the sale of Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike in February 2005 to be used solely for real estate acquisitions, and $0.8 million of escrow deposits required by lenders on certain of our properties to be used for future building renovations or tenant improvements. At December 31, 2004, restricted cash of $0.4 million consisted only of the lender required replacement reserves.

Stock Based Compensation

We maintain Share Grant Plans and Incentive Stock Option Plans (the “Plans”), which include qualified and non-qualified options and deferred shares for eligible employees.

Shares are granted to officers and trustees under the Share Grant Plans. Officer share grants vest over 5 years in annual installments commencing one year after the date of grant. Trustee share grants are fully vested immediately upon date of share grant. We recognize compensation expense for share grants over the vesting period equal to the fair market value of the shares on the date of issuance. The unvested portion of officer share grants is recognized as deferred compensation.

WASHINGTON REAL ESTATE INVESTMENT TRUST
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Stock options were historically issued annually to officers, trustees and non-officer key employees under the Incentive Stock Option Plans. They were last issued to officers in 2002, to non-officer key employees in 2003 and to trustees in 2004. The options vest over a 2-year period in annual installments commencing one year after the date of grant, except for trustee options which vested immediately upon the date of grant. Stock options are accounted for in accordance with APB 25, whereby if options are priced at fair market value or above at the date of grant and if other requirements are met then the plans are considered fixed and no compensation expense is recognized. Accordingly, we have recognized no compensation cost for stock options.

Had we determined compensation cost for the Plans consistent with SFAS No. 123, "Accounting for Stock-Based Compensation," our net income and earnings per share would have been reduced to the following pro-forma amounts (in thousands, except per share data):

	For the Quarter ended June 30,		For the Period ended June 30,	
	2005	2004	2005	2004
Pro-forma Information				
Net income, as reported	$10,875	$11,082	$53,110	$22,384
Add: Stock-based employee compensation expense included in reported net income	271	167	557	292
Deduct: Total stock-based employee compensation expense determined under fair value method	(290)	(259)	(595)	(477)
Pro-forma net income	$10,856	$10,990	$53,072	$22,199
Earnings per share:				
Basic – as reported	$ 0.26	$ 0.27	$ 1.27	$ 0.54
Basic – pro-forma	$ 0.26	$ 0.26	$ 1.27	$ 0.53
Diluted – as reported	$ 0.26	$ 0.26	$ 1.26	$ 0.54
Diluted – pro-forma	$ 0.26	$ 0.26	$ 1.26	$ 0.53

Earnings Per Common Share

We calculate basic and diluted earnings per share in accordance with SFAS No. 128, "Earnings Per Share." "Basic earnings per share" is computed as net income divided by the weighted-average common shares outstanding. "Diluted earnings per share" is computed as net income divided by the total weighted-average common shares outstanding plus the effect of dilutive common equivalent shares outstanding for the period. Dilutive common equivalent shares reflect the assumed issuance of additional common shares pursuant to certain of our share based compensation plans that could potentially reduce or "dilute" earnings per share, based on the treasury stock method.

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

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WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2005
(UNAUDITED)

NOTE 3: REAL ESTATE INVESTMENTS

Our real estate investment portfolio, at cost, consists of properties located in Maryland, Washington, D.C. and Virginia as follows (in thousands):

	June 30, 2005	December 31, 2004
Office	$ 634,386	$ 628,200
Retail	193,154	145,757
Multifamily	140,900	131,618
Industrial/Flex	221,563	211,300
	$ 1,190,003	$ 1,116,875

The amounts above reflect properties classified as continuing operations, which means they are to be held and used in rental operations or are currently in development. We dispose of assets (sometimes using tax-deferred exchanges) that are inconsistent with our long-term strategic or return objectives or where market conditions for sale are favorable. The proceeds from the sales may be redeployed into other properties, used to fund development operations or to support other corporate needs, or distributed to our shareholders. Properties are considered held for sale when they meet the criteria specified by SFAS No. 144 (see Note 2 – Discontinued Operations). Depreciation on these properties is discontinued at that time, but operating revenues, other operating expenses and interest continue to be recognized until the date of sale.

We had no properties classified as held for sale during the 2005 period, and three held for sale at December 31, 2004 as follows (in thousands):

	December 31, 2004
Office buildings	$ 45,573
Total	45,573
Less accumulated depreciation	(11,415)
	$ 34,158

Our results of operations are dependent on the overall economic health of our markets, tenants and the specific segments in which we own properties. These segments include commercial office, retail, multifamily and industrial. All sectors are affected by external economic factors, such as inflation, consumer confidence, unemployment rates, etc., as well as by changing tenant and consumer requirements.

WRIT acquired the following properties during the 2005 Period:

Acquisition Date	Property Name	Property Type	Rentable Square Feet	Purchase Price (in thousands)
March 23, 2005	Frederick Crossing	Retail	294,724	$ 44,800
April 8, 2005	Coleman Building	Industrial	59,767	8,800
		Total 2005 Period	354,491	$ 53,600

We accounted for these acquisitions using the purchase method of accounting. As discussed in Note 2, we allocate the purchase price to the related physical assets (land, building and tenant improvements) and in-place leases (tenant origination costs, leasing commissions, and net lease intangible assets/liabilities) based on their fair values, in accordance with SFAS No. 141, “Business Combinations.” Our acquisitions of Frederick Crossing and the Coleman Building resulted in the recognition of $1.7 million in tenant origination costs, $0.9 million in leasing commissions, $65,000 in net intangible lease assets, and $3.4 million in net intangible lease liabilities. The results of operations from these acquired properties are included in the income statement as of their respective acquisition date and forward.

WRIT sold the following properties during the 2005 Period:

Disposition Date	Property Name	Property Type	Rentable Square Feet	Sale Price (in thousands)
February 1, 2005	7700 Leesburg Pike	Office	147,000	$ 20,150
February 1, 2005	Tycon Plaza II	Office	127,000	19,400
February 1, 2005	Tycon Plaza III	Office	137,000	27,950
		Total 2005 Period	411,000	$ 67,500

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The above properties, classified as discontinued operations effective November 2004, were sold to a single buyer for a $67.5 million contract sales price on February 1, 2005. WRIT recognized a gain on disposal of $32.1 million, in accordance with SFAS No. 66, "Accounting for Sales of Real Estate." $31.3 million of the proceeds from the disposition were escrowed in a tax-free property exchange account and subsequently used to fund a portion of the purchase price of Frederick Crossing Shopping Center on March 23, 2005 and the Coleman Building on April 8, 2005. $31.0 million of the proceeds were used to pay down $31.0 million outstanding under Credit Facility No. 2. Discontinued operations for the 2005 Quarter and 2005 Period consist of the properties sold in February 2005. For the 2004 Quarter and 2004 Period, discontinued operations include those same properties and 8230 Boone Boulevard, which was sold on November 15, 2004. In addition there was a gain of $1.9 million recognized in the 2005 Quarter previously deferred from the sale of Boone Boulevard.

Operating results of the properties classified as discontinued operations are summarized as follows (in thousands):

	For the Quarter ended June 30,		For the Period ended June 30,	
	2005	2004	2005	2004
Revenues	$—	$2,205	$ 543	$ 4,317
Property expenses	—	(796)	(309)	(1,618)
Depreciation and amortization	—	(470)	—	(918)
	$—	$ 939	$ 234	$ 1,781

Operating income by property is summarized below (in thousands):

	For the Quarter ended June 30,		For the Period ended June 30,	
Property	2005	2004	2005	2004
8230 Boone Boulevard	$—	$ 110	$ 2	$ 155
7700 Leesburg Pike	—	227	90	399
Tycon Plaza II	—	343	30	711
Tycon Plaza III	—	259	112	516
Total	$—	$ 939	$ 234	$ 1,781

Other Income from Property Settlement

In the 2005 quarter we received the final proceeds as compensation for an action by the Maryland State Highway Administration. Curb access to one of our retail properties was closed to the detriment of tenant delivery vehicles. After independent appraisals and engineering studies the state compensated WRIT for this loss of use. The total amount of this compensation was $543,000 and the other income (net of legal, engineering and other professional fees) recorded was $504,000.

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NOTE 4: MORTGAGE NOTES PAYABLE

	June 30, 2005	December 31, 2004
On November 30, 1998, we assumed a $9.2 million mortgage note payable and a $12.4 million mortgage note payable as partial consideration for our acquisition of Woodburn Medical Park I and II. Both mortgages bear interest at 7.69% per annum. Principal and interest are payable monthly until September 15, 2005, at which time all unpaid principal and interest are payable in full.	$ 18,347	$ 18,658
On September 20, 1999, we assumed an $8.7 million mortgage note payable as partial consideration for our acquisition of the Avondale Apartments. The mortgage bears interest at 7.88% per annum. Principal and interest are payable monthly until November 1, 2005, at which time all unpaid principal and interest are payable in full.	7,553	7,677
On September 27, 1999, we executed a $50.0 million mortgage note payable secured by Munson Hill Towers, Country Club Towers, Roosevelt Towers, Park Adams Apartments and the Ashby of McLean. The mortgage bears interest at 7.14% per annum and interest only is payable monthly until October 1, 2009, at which time all unpaid principal and interest are payable in full.	50,000	50,000
On November 1, 2001, we assumed an $8.5 million mortgage note payable, with an estimated fair value of $9.3 million, as partial consideration for our acquisition of Sullyfield Commerce Center. The mortgage bears interest at 9.00% per annum, and includes a significant prepayment penalty. Principal and interest are payable monthly until February 1, 2007, at which time all unpaid principal and interest are payable in full.	8,335	8,487
On January 24, 2003, we assumed a $6.6 million mortgage note payable, with an estimated fair value of $6.8 million, as partial consideration for our acquisition of Fullerton Industrial Center. The mortgage bears interest at 6.77% per annum. Principal and interest are payable monthly until September 1, 2006, at which time all unpaid principal and interest are payable in full.	6,398	6,491
On October 9, 2003, we assumed a $36.1 million mortgage note payable and a $13.7 million mortgage note payable as partial consideration for our acquisition of the Prosperity Medical Centers. The mortgages bear interest at 5.36% per annum and 5.34% per annum, respectively. Principal and interest are payable monthly until May 1, 2013, at which time all unpaid principal and interest are payable in full.	48,610	48,911
On August 12, 2004, we assumed a $10.1 million mortgage note payable, with an estimated fair value of $11.2 million, as partial consideration for our acquisition of Shady Grove Medical Village II. The mortgage bears interest at 6.98% per annum. Principal and interest are payable monthly until December 1, 2011, at which time all unpaid principal and interest are payable in full.	11,023	11,149
On December 22, 2004, we assumed a $15.6 million mortgage note payable, with an estimated fair value of $17.8 million, and a $3.9 million mortgage note payable with an estimated fair value of $4.2 million as partial consideration for our acquisition of Dulles Business Park. The mortgages bear interest at 7.09% per annum and 5.94% per annum, respectively. Principal and interest are payable monthly until August 10, 2012, at which time all unpaid principal and interest are payable in full.	21,786	22,056
On March 23, 2005 we assumed a $24.3 million mortgage note payable, with an estimated fair value of $25.0 million, as partial consideration for the acquisition of Frederick Crossing. The mortgage bears interest at 5.95% per annum. Principal and interest are payable monthly until January 1, 2013 at which time all unpaid principal and interest are payable in full.	24,908	—
	$ 196,960	$ 173,429

Total carrying amount of the above mortgaged properties was $336.2 million and $282.0 million at June 30, 2005 and December 31, 2004, respectively.

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Scheduled principal payments for the remaining six months in 2005 and the remaining years subsequent to December 31, 2005 are as follows (in thousands):

	Total Principal Payments
2005	$ 27,181
2006	8,660
2007	9,981
2008	2,242
2009	52,369
Thereafter	96,527
Total	$ 196,960

NOTE 5: UNSECURED LINES OF CREDIT PAYABLE

As of June 30, 2005, we maintained an $85.0 million unsecured line of credit maturing in July 2007 ("Credit Facility No.1") and a $50.0 million line of credit maturing in July 2005 ("Credit Facility No. 2").

Credit Facility No. 1

We had no balance outstanding as of June 30, 2005 related to Credit Facility No. 1, with $85.0 million unused and available for subsequent acquisitions or capital improvements. At December 31, 2004, $67.0 million was outstanding under this facility. Advances under this agreement bear interest at LIBOR plus a spread based on the credit rating on our publicly issued debt. All outstanding advances are due and payable upon maturity in July 2007. Interest only payments are due and payable generally on a monthly basis. We incurred $162,900 and $687,400 in interest expense (excluding facility fees) for the 2005 Quarter and 2005 Period, respectively, representing an average interest rate of 3.43% and 3.20% respectively, per annum. We incurred $59,900 and $72,200 in interest expense (excluding facility fees) for the 2004 Quarter and 2004 Period, respectively, representing an average interest rate of 1.79% and 1.78%, respectively, per annum. In April 2005, we paid in full the outstanding balance under Credit Facility No. 1 using a portion of the proceeds from the April 2005 issuance of $50.0 million of seven-year, 5.05% unsecured notes and $50.0 million of ten-year, 5.35% unsecured notes (See Note 6 – Notes Payable).

From July 2002 through July 20, 2004, Credit Facility No. 1 had a maximum available commitment of $25.0 million and required us to pay the lender unused line of credit fees ranging from 0.225% to 0.400% per annum according to a sliding scale based on usage and the credit rating on our publicly issued debt. These fees were payable quarterly. We incurred unused commitment fees of $6,600 and $27,700, for the 2004 Quarter, and 2004 Period, respectively.

On July 21, 2004, we closed on a new $50.0 million line of credit with JP Morgan Chase Bank, NA and Wells Fargo Bank, National Association, replacing the former $25.0 million facility. On November 10, 2004, we amended the Credit Agreement to increase the maximum available commitment from $50.0 million to $85.0 million. The new Credit Facility No. 1 requires us to pay the lender a facility fee on the total commitment ranging from 0.15% to 0.25% per annum according to a sliding scale based on the credit rating on our publicly issued debt. These fees are payable quarterly. We incurred facility fees of $33,800 and $66,000, for the 2005 Quarter, and 2005 Period, respectively.

Credit Facility No. 2

We had no balance outstanding as of June 30, 2005 related to Credit Facility No. 2 with $50.0 million unused and available for subsequent acquisitions or capital improvements. At December 31, 2004, $50.0 million was outstanding under this facility. Advances under this agreement bear interest at LIBOR plus a spread or an advance can be converted into a term loan based upon a Treasury rate plus a spread. All outstanding advances were due and payable upon maturity in July 2005. Interest only payments were due and payable generally on a monthly basis. We incurred $54,600 and $304,000 in interest expense (excluding facility fees) for 2005 Quarter and 2005 Period, respectively, representing an average interest rate of 3.57% and 3.28%, respectively, per annum and no interest expense (excluding facility fees) for the 2004 Quarter and 2004 Period.

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Credit Facility No. 2 required us to pay the lender unused line of credit fees ranging from 0.15% to 0.25% per annum according to a sliding scale based on the credit rating on our publicly issued debt. The fee is paid quarterly in arrears. We incurred unused commitment fees of $22,200 and $31,700, for the 2005 Quarter, and 2005 Period, respectively, and $25,300 and $50,800, for the 2004 Quarter, and 2004 Period, respectively.

In February 2005, we repaid $31.0 million outstanding under Credit Facility No. 2 using a portion of the $67.5 million proceeds from the disposition of 7700 Leesburg, Tycon Plaza II and Tycon Plaza III. In April 2005, we repaid the remaining outstanding balance under Credit Facility No. 2 using a portion of the proceeds from the April 2005 issuance of $50.0 million of seven-year, 5.05% unsecured notes and $50.0 million of ten-year, 5.35% unsecured notes (See Note 6 – Notes Payable).

On July 25, 2005 we renewed Credit Facility No. 2, extending its maturity date to July 25, 2008, and increasing the maximum available commitment to $70.0 million. This renewal and extension included a carve-out for letters of credit in the amount of $14.0 million associated with current development projects. The New Credit Facility No. 2 requires us to pay the lender an annual facility fee on the total commitment ranging from 0.15% to 0.25% per annum according to a sliding scale based on the credit rating on our publicly issued debt. These fees are payable quarterly. Advances under this agreement bear interest at LIBOR plus a spread based on the credit rating on our publicly issued debt. All outstanding advances are due and payable upon maturity in July 2008. Interest only payments are due and payable on a monthly basis.

Credit Facility No. 1 and No. 2 contain certain financial and non-financial covenants, all of which we have met as of June 30, 2005. In addition, Credit Facility No. 1 requires approval to be obtained from the lender for purchases by the Trust over an agreed upon amount.

NOTE 6: NOTES PAYABLE

On August 13, 1996 we sold $50.0 million of 7.125% 7-year unsecured notes due August 13, 2003, and $50.0 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, which we paid off at maturity in August 2003 with an advance under Credit Facility No. 2, bore an effective interest rate of 7.46%. The 10-year notes due in August 2006 bear an effective interest rate of 7.49%.

On February 20, 1998 we sold $50.0 million of 7.25% unsecured notes due February 25, 2028 at 98.653% to yield approximately 7.36%. We also sold $60.0 million in unsecured Mandatory Par Put Remarketed Securities (“MOPPRS”) at an effective borrowing rate through the remarketing date (February 2008) of approximately 6.74%. Our costs of the borrowings and related closed hedge settlements of approximately $7.2 million are amortized over the lives of the notes using the effective interest method. These notes do not require any principal payment and are due in full at maturity.

On November 6, 2000 we sold $55.0 million of 7.78% unsecured notes due November 2004. The notes bore an effective interest rate of 7.89%. Our total proceeds, net of underwriting fees, were $54.8 million. We used the proceeds of these notes to repay advances on our lines of credit. We paid off the notes on November 15, 2004, with a $50.0 million advance under Credit Facility No. 2 and a $7.0 million advance under Credit Facility No. 1.

On March 17, 2003, we sold $60.0 million of 5.125% unsecured notes due March 2013. The notes bear an effective interest rate of 5.23%. Our total proceeds, net of underwriting fees, were $59.1 million. We used portions of the proceeds of these notes to repay advances on our lines of credit and to fund general corporate purposes.

On December 11, 2003, we sold $100.0 million of 5.25% unsecured notes due January 2014. The notes bear an effective interest rate of 5.34%. Our total proceeds, net of underwriting fees, were $99.3 million. We used the proceeds of these notes to repay advances on our lines of credit.

On April 26, 2005, we sold $50.0 million of 5.05% senior unsecured notes due May 1, 2012 and $50.0 million of 5.35% senior unsecured notes due May 1, 2015, at effective yields of 5.064% and 5.359% respectively. The net proceeds from the sale of the notes of $99.3 million were used to repay borrowings under our lines of credit totaling $90.5 million and the remainder may be used for the acquisition of real estate and general corporate purposes.

These notes contain certain financial and non-financial covenants, all of which we have met as of June 30, 2005.

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The covenants under one of the line of credit agreements require us to insure our properties against loss or damage in the amount of the replacement cost of the improvements at the properties. The covenants for the notes require us to keep all of our insurable properties insured against loss or damage at least equal to their then full insurable value. We have a separate insurance policy which provides terrorism coverage; however, our financial condition and results of operations are subject to the risks associated with acts of terrorism and the potential for uninsured losses as the result of any such acts. Effective November 26, 2002, under this existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by Federal law. Under this formula the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance provider. If the aggregate amount of insured losses under the Act exceeds $100 billion during the applicable period for all insured and insurers combined, then each insurance provider will not be liable for payment of any amount which exceeds the aggregate amount of $100 billion. This current legislation expires in November 2005.

Scheduled maturity dates of the securities for the remaining six months in 2005 and the remaining years subsequent to December 31, 2005 are as follows (in thousands):

2005	$ —
2006	50,000
2007	—
2008	60,000
2009	—
Thereafter	310,000
	$ 420,000

NOTE 7: BENEFIT PLANS

Share Options and Grants

We maintain Incentive Stock Option Plans (the “Plans”), which include qualified and non-qualified options. In 2003 the Board approved a change in the composition of officer share options and share grant awards. Officers no longer receive annual share option awards. Effective 2003, annual incentive compensation is awarded at the same percentage of cash compensation as in prior years except it is in the form of share grants only.

We maintain a Share Grant Plan for officers and trustees. At the approval of the Board, the Share Grant Plan was changed in 2003 so that Managing Directors received an award of shares with a market value of 25% of the individual’s cash compensation (45% for the Chief Executive Officer, 37% for Executive Vice Presidents, and 35% for Senior Vice Presidents) at the date of the award. Beginning in 2003, officers received annual awards of share grants only (as opposed to share options and share grants) in an amount such that the total annual incentive compensation as a percentage of officer cash compensation remained unchanged. Each Trustee received an annual grant of 400 unrestricted shares under the plan.

In November 2004, the Board of Trustees approved an amended short-term and long-term incentive plan for officers and executives. The first cash benefits under the amended short-term plan will be paid in late 2005, and the first restricted stock grants under the amended long-term plan will be made in 2006, in each case based upon 2005 results. The short-term incentive compensation plan provides for the annual payment of cash bonuses based upon WRIT’s achievement of its annual targets for funds from operations (FFO) per share (a non-GAAP financial measure) and EBITDA as defined by the revised plan (earnings before interest, taxes, depreciation and amortization). Each target will be determined in November of the preceding year by management and approved by the Board of Trustees. The long-term incentive plan provides for the annual grant of restricted WRIT shares based on WRIT’s five-year rolling average total shareholder return compared to a weighted-average peer group. The awards will be granted in the form of restricted shares pursuant to WRIT’s existing share grant plan, will vest ratably over a five-year period from the date of grant and will not be permitted to be sold until the entire award has vested.

Also in November 2004, the Board of Trustees approved revisions to the trustee compensation plan, under which the first cash and share grant benefits will be paid in 2005. Under this plan, annual long-term incentive compensation for trustees is changed from options of 2,000 shares plus 400 restricted shares to $30,000 in restricted shares. These restricted shares will vest immediately and will be restricted from sale for the period of the Trustees’ service. Additionally, the amounts of certain fees and retainers were amended.

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Other Benefit Plans

We have a Retirement Savings Plan (the "401(k) Plan"), which permits all eligible employees to defer a portion of their compensation in accordance with the Internal Revenue Code. Under the 401(k) Plan, the company may make discretionary contributions on behalf of eligible employees. For the 2005 Quarter and 2005 Period, the company made contributions to the 401(k) plan of $77,000 and $146,000, respectively. For the 2004 Quarter and 2004 Period, the company made contributions to the 401(k) plan of $69,000 and $136,000, respectively.

We adopted a split dollar life insurance plan for executive officers (the Chief Financial Officer, Executive Vice President of Real Estate and Senior Vice President Accounting and Administration) and other company officers, excluding the Chief Executive Officer ("CEO"), in 2000. The purpose of the plan is to provide these officers with financial security in exchange for a career commitment. It is intended that we will recover our costs from the life insurance policies at death prior to retirement, termination prior to retirement or retirement at age 65. It is intended that the officers can use the cash values of the policy in excess of the Trust's interest. The Trust has a security interest in the cash value and death benefit of each policy to the extent of the sum of premium payments we have made. Subsequent to July 2002 we discontinued premium advances under this plan for the benefit of executive officers. The company paid premiums for non executive company officers of $0.0 million and $0.2 million for the 2005 Quarter and 2005 Period, respectively, and $0.2 million and $0.4 million for the 2004 Quarter and 2004 Period, respectively.

We have adopted a non-qualified deferred compensation plan for the officers and members of the Board of Trustees. The plan allows for a deferral of a percentage of annual cash compensation and trustee fees. The plan is unfunded and payments are to be made out of the general assets of the Trust. The deferred compensation liability was $1.5 million and $1.3 million at June 30, 2005 and December 31, 2004, respectively.

We established a Supplemental Executive Retirement Plan ("SERP") effective July 1, 2002 for the benefit of the CEO. Upon the CEO's termination of employment from the Trust for any reason other than death, discharge for cause or total and permanent disability, the CEO will be entitled to receive an annual benefit equal to his accrued benefit times his vested interest. We account for the SERP in accordance with SFAS No. 87, "Employers' Accounting for Pensions," whereby we accrue benefit cost in an amount that will result in an accrued balance at the end of the CEO's employment which is not less than the present value of the estimated benefit payments to be made. We recognized current service cost for the 2005 Quarter and 2005 Periods, of $102,000 and $203,000, respectively, and $91,000 and $172,000 for the 2004 Quarter and 2004 Period, respectively.

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NOTE 8: EARNINGS PER SHARE

The following table sets forth the computation of net income per average share and diluted average shares (in thousands, except per share data):

	For the Quarter ended June 30,		For the Period ended June 30,	
	2005	2004	2005	2004
Numerator for basic and diluted per share calculations:				
Income from continuing operations	$ 8,992	$ 10,143	$ 18,903	$ 20,603
Discontinued operations including gain on sale of real estate	1,883	939	34,207	1,781
Net income	$ 10,875	$ 11,082	$ 53,110	$ 22,384
Denominator for basic and diluted per share calculations:				
Denominator for basic per share amounts – weighted average shares	41,932	41,638	41,899	41,605
Effect of dilutive securities:				
Employee stock option and share grant awards	127	200	124	226
Denominator for diluted per share amounts	42,059	41,838	42,023	41,831
Income from continuing operations per share				
Basic	$ 0.21	$ 0.25	$ 0.45	$ 0.50
Diluted	$ 0.21	$ 0.24	$ 0.45	$ 0.50
Discontinued operations, including gain on sale of real estate, per share				
Basic	$ 0.05	$ 0.02	$ 0.82	$ 0.04
Diluted	$ 0.05	$ 0.02	$ 0.81	$ 0.04
Net income per share				
Basic	$ 0.26	$ 0.27	$ 1.27	$ 0.54
Diluted	$ 0.26	$ 0.26	$ 1.26	$ 0.54

NOTE 9: SEGMENT INFORMATION

We have four reportable segments: Office Buildings, Retail Centers, Multifamily Properties and Industrial/Flex Centers. Office Buildings, which include medical office buildings, provide office space for various types of businesses and professions. Retail Centers are typically neighborhood grocery store or drug store anchored retail centers. Multifamily Properties provide housing for families throughout the Washington Metropolitan area. Industrial/Flex Centers are used for flex-office, warehousing and distribution type facilities.

Real estate revenue as a percentage of total revenue for each of the four reportable operating segments is as follows:

	Quarter Ended June 30,		Period Ended June 30,	
	2005	2004	2005	2004
Office Buildings	50%	53%	51%	54%
Retail Centers	18%	16%	17%	16%
Multifamily Properties	16%	17%	16%	17%
Industrial/Flex Centers	16%	14%	16%	13%

Real estate assets as a percentage of total assets for each of the four reportable operating segments are as follows:

	June 30, 2005	December 31, 2004
Office Buildings	53%	56%
Retail Centers	16%	13%
Multifamily Properties	12%	12%
Industrial/Flex Centers	19%	19%

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The accounting policies of each of the segments are the same as those described in Note 2. We evaluate performance based upon operating income from the combined properties in each segment. Our reportable segments are consolidations 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.

Segment Information (in thousands):

Quarter Ended June 30, 2005

	Office Buildings	Retail Centers	Multifamily	Industrial/Flex Center	Corporate And Other	Consolidated
Revenue						
Real estate rental revenue	$ 23,236	$ 8,132	$ 7,579	$ 7,662	$ —	$ 46,609
Other income	—	—	—	—	207	207
	23,236	8,132	7,579	7,662	207	46,816
Expenses						
Real estate expenses	7,408	1,786	3,010	1,782	—	13,986
Interest expense	1,168	351	1,063	509	6,192	9,283
Depreciation and amortization	6,276	3,215	1,273	1,999	204	12,967
General and administration	—	—	—	—	2,092	2,092
	14,852	5,352	5,346	4,290	8,488	38,328
Other income from property settlement	—	504	—	—	—	504
Discontinued operations	1,883	—	—	—	—	1,883
Net Income	$ 10,267	$ 3,284	$ 2,233	$ 3,372	$ (8,281)	$ 10,875
Capital expenditures	$ 3,911	$ 1,319	$ 4,640	$ 469	$ 38	$ 10,377
Total assets	$ 544,853	$ 175,853	$ 98,343	$ 194,102	$ 35,897	$ 1,049,048

Quarter Ended June 30, 2004

	Office Buildings	Retail Centers	Multifamily	Industrial/Flex Centers	Corporate And Other	Consolidated
Revenue						
Real estate rental revenue	$ 22,800	$ 6,803	$ 7,175	$ 5,845	$ —	$ 42,623
Other income	—	—	—	—	115	115
	22,800	6,803	7,175	5,845	115	42,738
Expenses						
Real estate expenses	6,906	1,576	2,817	1,305	—	12,604
Interest expense	1,106	—	1,067	252	6,189	8,614
Depreciation and amortization	5,945	907	1,197	1,363	238	9,650
General and administration	—	—	—	—	1,727	1,727
	13,957	2,483	5,081	2,920	8,154	32,595
Other income from property settlement	—	—	—	—	—	—
Discontinued operations	939	—	—	—	—	939
Net Income	$ 9,782	$ 4,320	$ 2,094	$ 2,925	$ (8,039)	$ 11,082
Capital expenditures	$ 3,844	$ 1,191	$ 2,146	$ 323	$ 21	$ 7,525
Total assets	$ 568,439	$ 127,495	$ 84,504	$ 138,221	$ 18,807	$ 937,466

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Period Ended June 30, 2005

	Office Buildings	Retail Centers	Multifamily	Industrial/Flex Centers	Corporate And Other	Consolidated
Revenue						
Real estate rental revenue	$ 46,461	$ 15,209	$ 15,038	$ 15,288	$ —	$ 91,996
Other income	—	—	—	—	321	321
	46,461	15,209	15,038	15,288	321	92,317
Expenses						
Real estate expenses	15,145	3,405	6,130	3,512	—	28,192
Interest expense	2,338	386	2,126	1,020	12,000	17,870
Depreciation and amortization	12,496	4,441	2,485	3,893	216	23,531
General and administration	—	—	—	—	4,325	4,325
	29,979	8,232	10,741	8,425	16,541	73,918
Other income from property settlement	—	504	—	—	—	504
Discontinued operations	34,207	—	—	—	—	34,207
Net Income	$ 50,689	$ 7,481	$ 4,297	$ 6,863	$ (16,220)	$ 53,110
Capital expenditures	$ 6,279	$ 2,547	$ 10,084	$ 1,322	$ 392	$ 20,624

Period Ended June 30, 2004

	Office Buildings	Retail Centers	Multifamily	Industrial/Flex Centers	Corporate And Other	Consolidated
Revenue						
Real estate rental revenue	$ 45,540	$ 13,569	$ 14,234	$ 11,545	$ —	$ 84,888
Other income	—	—	—	—	180	180
	$ 45,540	$ 13,569	$ 14,234	11,545	180	85,068
Expenses						
Real estate expenses	13,826	3,052	5,705	2,662	—	25,245
Interest expense	2,095	—	2,135	505	12,454	17,189
Depreciation and amortization	11,664	1,836	2,393	2,666	516	19,075
General and administration	—	—	—	—	2,956	2,956
	27,585	4,888	10,233	5,833	15,926	64,465
Other income from property settlement	—	—	—	—	—	—
Discontinued operations	1,781	—	—	—	—	1,781
Net Income	$ 19,736	$ 8,681	$ 4,001	$ 5,712	$ (15,746)	$ 22,384
Capital expenditures	$ 7,731	$ 2,277	$ 3,612	$ 661	$ 46	$ 14,327

NOTE 10: SUBSEQUENT EVENTS

On July 25, 2005, subsequent to the end of the second quarter 2005, Credit Facility No. 2 was renewed with SunTrust Bank as an unsecured revolving credit facility of $70.0 million. Interest only payments are due on a monthly basis until the maturity of this facility at July 25, 2008 (See Note 5 – Unsecured Lines of Credit Payable).

On July 29, 2005, we acquired Albemarle Point in Chantilly, Virginia for $67.0 million. Albemarle is a 29 acre business park with five single story flex buildings totaling 207,000 square feet and one office building totaling 89,000 square feet. The acquisition was funded with cash on hand and borrowing of $63.0 million on our Credit Facility No. 2 discussed above.

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

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Company and the notes thereto included elsewhere herein.

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an on-going basis, we evaluate these estimates, including those related to useful lives of real estate assets, cost reimbursement income, bad debts, impairment, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. There can be no assurance that actual results will not differ from those estimates.

The discussion that follows is based on our consolidated results of operations for the three months (hereinafter referred to as the "Quarter") and six months (hereinafter referred to as the "Period") ended June 30, 2005 and 2004, respectively.

Forward Looking Statements

We claim the protection of the safe harbor for forward looking statements contained in the Private Securities Litigation Reform Act of 1995 for the forward looking statements contained herein. Forward looking statements include statements in this report preceded by, followed by or that include the words "believe," "expect," "intend," "anticipate," "potential," "project," "will" and other similar expressions. The following important factors, in addition to those discussed in our 2004 Annual Report on Form 10-K under the caption "Risk Factors", could affect our future results and could cause those results to differ materially from those expressed in the forward looking statements: (a) the economic health of our tenants; (b) the economic health of the Greater Washington-Baltimore region, or other markets we may enter, including the effects of changes in Federal government spending; (c) the supply of competing properties; (d) inflation; (e) consumer confidence; (f) unemployment rates; (g) consumer tastes and preferences; (h) stock price and interest rate fluctuations; (i) our future capital requirements; (j) compliance with applicable laws, including those concerning the environment and access by persons with disabilities; (k) governmental or regulatory actions and initiatives; (l) changes in general economic and business conditions; (m) terrorist attacks or actions; (n) acts of war; (o) weather conditions; and (p) the effects of changes in capital availability to the technology and biotechnology sectors of the economy. We undertake no obligation to update our forward looking statements or risk factors to reflect new information, future events, or otherwise.

Overview

Our revenues are derived primarily from the ownership and operation of income-producing real properties in the greater Washington/Baltimore region. As of June 30, 2005, we owned a diversified portfolio of 67 properties, consisting of 12 retail centers, 27 office properties, 19 industrial/flex properties and 9 multifamily properties, totaling 10 million net rentable square feet. We have a fundamental strategy of regional focus, diversification by property type and conservative capital management.

When evaluating our financial condition and operating performance, management focuses on the following financial and non-financial indicators, discussed in further detail herein:

- Net Operating Income ("NOI") by segment. NOI is calculated as real estate rental revenue less real estate operating expenses.
- Economic occupancy and rental rates.
- Leasing activity – new leases, renewals and expirations.
- Funds From Operations ("FFO"), a supplemental measure to Net Income.

Our results in the second quarter of 2005 as compared to the second quarter of 2004, showed continued improvement in both occupancy and rental rate growth. In the office sector the overall metro market continued steady improvement as did virtually all submarkets during the quarter. Northern Virginia vacancy rates decreased from the first quarter with large government contractors such as BAE Systems, Titan and General Dynamics dominating the activity. However, overall vacancy in Northern

Virginia remains high at 10.1%. Similarly, WRIT's largest vacancies remain at 7900 Westpark at Tyson's Corner and with good current leasing prospects, progress to reduce this vacancy is expected. Office vacancies decreased slightly in the suburban Maryland submarket, reflected in the improved leasing activity at our Maryland Trade Centers. WRIT's retail centers have remained strong at over 98% leased at quarter end reflecting the retail market throughout the Metropolitan region. The multifamily market continued modest improvement in occupancies and rental rates. The best and most active areas continue to be the close-in Northern Virginia submarkets and the District of Columbia. Suburban Maryland has improved over the first quarter however, it continues to lag the other sub markets due to the continued supply and demand imbalance. The WRIT industrial portfolio suffered three large vacancies during the second quarter comprising 136,000 square feet of space. The largest of these vacancies is at the 69,000 square foot Pepsi Warehouse in Maryland which has seen substantial interest from leasing and purchase prospects.

Progress continues on our ground-up development and major redevelopment projects at Rosslyn Towers, South Washington Street and Foxchase Shopping Center. Demolition has begun at South Washington Street as well as in the development area of the Foxchase Shopping Center where we expect to deliver a pad site to a large grocery store chain in the fourth quarter 2005. This tenant will begin constructing their store for an anticipated opening in late 2006 at which time rent is expected to commence.

GENERAL

During the 2005 Period we completed the following significant transactions:

- The acquisition of one Retail property, for a purchase price of $44.8 million, adding approximately 295,000 square feet of rentable retail space which was 100% leased as of the end of the 2005 Period, and one Industrial property for a purchase price of $8.8 million, adding approximately 60,000 square feet of rentable industrial space which was 100.0% leased as of the end of the 2005 Period.
- The disposition of three office buildings, totaling approximately 411,000 square feet, for a gain of approximately $32.1 million.
- The issuance of $50.0 million of 5.05% senior unsecured notes due May 1, 2012 and $50.0 million of 5.35% senior unsecured notes due May 1, 2015, at effective yields of 5.064% and 5.359%, respectively.
- The investment of $5.7 million in the major development and redevelopment of several properties.
- The execution of new leases for 887,000 square feet of office, retail and industrial space, combined.

During the 2004 Period we completed the following significant transactions:

- The acquisition of one Industrial property, for an aggregate investment of $11.7 million, adding approximately 141,700 square feet of rentable space.
- The execution of new leases for 623,000 square feet of office, retail and industrial space, combined.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We believe the following critical accounting policies affect the more significant judgments and estimates used in the preparation of our consolidated financial statements. Our significant accounting policies are described in Note 2 in the Notes to the Consolidated 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 seven years. We recognize rental income and rental abatements from our residential and commercial leases when earned on a straight-line basis in accordance with SFAS No. 13, "Accounting for Leases." We record a provision for losses on accounts receivable equal to the estimated uncollectible amounts. This

estimate is based on our historical experience and a review of the current status of the company's receivables. Percentage rents, which represent additional rents based on gross tenant sales, are recognized when tenants' sales exceed specified thresholds.

In accordance with SFAS No. 66, "Accounting for Sales of Real Estate," sales are recognized at closing only when sufficient down payments have been obtained, possession and other attributes of ownership have been transferred to the buyer and we have no significant continuing involvement.

We recognize cost reimbursement income from pass-through expenses on an accrual basis over the periods in which the expenses were incurred. Pass-through expenses are comprised of real estate taxes, operating expenses and common area maintenance costs which are reimbursed by tenants in accordance with specific allowable costs per tenant lease agreements.

Capital Expenditures

We capitalize those expenditures related to acquiring new assets, significantly increasing the value of an existing asset, or substantially extending the useful life of an existing asset. Expenditures necessary to maintain an existing property in ordinary operating condition are expensed as incurred.

Real Estate Assets

Real estate assets are depreciated on a straight-line basis over estimated useful lives ranging from 28 to 50 years. 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 over the shorter of the useful life or the term of the lease.

We allocate the purchase price of acquired properties to the related physical assets and in-place leases based on their fair values, based on SFAS No. 141, "Business Combinations." The fair values of acquired buildings are determined on an "as-if-vacant" basis considering a variety of factors, including the physical condition and quality of the buildings, estimated rental and absorption rates, estimated future cash flows and valuation assumptions consistent with current market conditions. The "as-if-vacant" fair value is allocated to land, building and tenant improvements based on property tax assessments and other relevant information obtained in connection with the acquisition of the property.

The fair value of in-place leases consists of the following components – (1) the estimated cost to us to replace the leases, including foregone rents during the period of finding a new tenant, foregone recovery of tenant pass-through expenses, tenant improvements, and other direct costs associated with obtaining a new tenant (referred to as "Tenant Origination Cost"); (2) the estimated leasing commissions associated with obtaining a new tenant (referred to as "Leasing Commissions"); (3) the above/at/below market cash flow of the leases, determined by comparing the projected cash flows of the leases in place to projected cash flows of comparable market-rate leases (referred to as "Net Lease Intangible"); and (4) the value, if any, of customer relationships, determined based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the tenant (referred to as "Customer Relationship Value"). The amounts used to calculate Tenant Origination Cost, Leasing Commissions and Net Lease Intangible are discounted using an interest rate which reflects the risks associated with the leases acquired. Tenant Origination Costs are included in Real Estate Assets on our balance sheet and are amortized as depreciation expense on a straight-line basis over the remaining life of the underlying leases. The remaining components, Leasing Commissions and net Lease Intangible, are included in other assets and other liabilities on our balance sheet. We have attributed no value to Customer Relationship Value as of June 30, 2005 or December 31, 2004.

Discontinued Operations

We dispose of assets (sometimes using tax-deferred exchanges) that are inconsistent with our long-term strategic or return objectives or where market conditions for sale are favorable. The proceeds from the sales are reinvested into other properties, used to fund development operations or to support other corporate needs, or are distributed to our shareholders.

We classify properties as held for sale when they meet the necessary criteria specified by SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." These include: senior management commits to and actively embarks upon a plan to sell the assets, the sale is expected to be completed within one year under terms usual and customary for such sales and

actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Depreciation on these properties is discontinued, but operating revenues, operating expenses and interest expense continue to be recognized until the date of sale.

Under SFAS 144, revenues and expenses of properties that are either sold or classified as held for sale are treated as discontinued operations for all periods presented in the Statements of Income.

Impairment Losses on Long-Lived Assets

We recognize 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. If such carrying amount is in excess of the estimated cash flows from the operation and disposal of the property, we would recognize an impairment loss equivalent to an amount required to adjust the carrying amount to the estimated fair market value. There were no property impairments recognized during the 2005 and 2004 periods.

Federal Income Taxes

We believe we have qualified as a REIT under Sections 856-860 of the Internal Revenue Code and intend to continue to qualify as such. To maintain our status as a REIT, we are required to distribute at least 90% of our ordinary taxable income to our shareholders. When selling properties, we have the option of (i) reinvesting the sale price of properties sold, allowing for a deferral of income taxes on the sale, (ii) paying out capital gains to the shareholders with no tax to the company or (iii) treating the capital gains as having been distributed to the shareholders, paying the tax on the gain deemed distributed and allocating the tax paid as a credit to the shareholders. All except approximately $3.5 million of gains on the sale of properties disposed during the 2005 Period were reinvested in replacement properties. We distributed 100% of our 2004 ordinary taxable income, and the gains from the property disposed in 2004, to shareholders.

RESULTS OF OPERATIONS

The discussion that follows is based on our consolidated results of operations for the Quarter and Period ended June 30, 2005 and 2004, respectively. The ability to compare one period to another may be significantly affected by acquisitions completed and dispositions made during those periods.

For purposes of evaluating comparative operating performance, we categorize our properties as "core", "non-core" or Discontinued Operations. A "core" property is one that was owned for the entirety of the periods being evaluated. A "non-core" property is one that was acquired during either of the periods being evaluated and is included in continuing operations. Results for properties sold or held for sale during any of the periods evaluated are classified as Discontinued Operations. Two properties were acquired during the 2005 Period and one property was acquired during the 2004 Period. Three properties were sold in 2005 and are classified as Discontinued Operations for the 2005 Period. These three properties and one additional property, sold in November, 2004, are classified as Discontinued Operations for the 2004 Period.

To provide more insight into our operating results, our discussion is divided into two main sections: (1) Consolidated Results of Operations where we provide an overview analysis of results on a consolidated basis and (2) Net Operating Income ("NOI") where we provide a detailed analysis of core versus non-core property-level NOI results by segment. NOI is calculated as real estate rental revenue less real estate operating expenses.

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CONSOLIDATED RESULTS OF OPERATIONS

REAL ESTATE RENTAL REVENUE

Real Estate Rental Revenue is summarized as follows (all data in thousands, except percentage amounts):

	Quarter Ended June 30,				Period Ended June 30,			
	2005	2004	$Change	% Change	2005	2004	$Change	% Change
Minimum base rent	$41,866	$38,445	$ 3,421	8.9%	$82,364	$76,585	$ 5,779	7.5%
Recoveries from tenants	3,659	3,111	548	17.6%	7,458	5,998	1,460	24.3%
Parking and other tenant charges	1,084	1,067	17	1.6%	2,174	2,305	(131)	(5.7%)
	$46,609	$42,623	$ 3,986	9.4%	$91,996	$84,888	$ 7,108	8.4%

Real estate rental revenue is comprised of (1) minimum base rent, which includes rental revenues recognized on a straight-line basis, (2) revenue from the recovery of operating expenses from our tenants and (3) other revenue such as parking and termination fees.

Minimum base rent increased $3.4 million (8.9%) in the 2005 Quarter and $5.8 million (7.5%) in the 2005 Period compared to the 2004 Quarter and Period, respectively, primarily due to the two office, one retail and three industrial properties acquired in 2004 and year-to-date in 2005. These acquisitions accounted for $2.9 million and $5.0 million of the increase in minimum base rent in the 2005 Quarter and Period over the 2004 Quarter and Period, respectively and $0.4 million and $0.7 million of the increase in recoveries from tenants, respectively. Total real estate revenue from core properties in the 2005 Quarter increased $0.6 million over the prior year driven by increased occupancy in the multifamily and retail sectors and increases in rental rate growth in the multifamily and industrial sectors offset by decreased occupancy in the office sector. In the 2005 Period, real estate revenue from core properties was higher ($1.4 million) than in the 2004 Period due to the increase in occupancy and rental rates in the multifamily sector and an increase in rental rates in the industrial sector.

A summary of consolidated economic occupancy by sector for properties classified as continuing operations follows:

	Quarter Ended June 30,			Period Ended June 30,		
Sector	2005	2004	Change	2005	2004	Change
Office	89.8%	90.6%	(0.8%)	89.3%	90.9%	(1.6%)
Retail	97.2%	94.6%	2.6%	96.8%	94.5%	2.3%
Multifamily	93.7%	90.4%	3.3%	93.0%	89.5%	3.5%
Industrial	92.9%	92.6%	0.3%	93.9%	92.1%	1.8%
Total	92.0%	91.4%	0.6%	91.8%	91.3%	0.5%

Economic occupancy represents actual rental revenues recognized for the period indicated as a percentage of gross potential rental revenues for that period. Percentage rents and expense reimbursements are not considered in computing either actual rental revenues or gross potential rental revenues. Our overall economic occupancy increased 60 basis points for the 2005 Quarter and 50 basis points for the 2005 Period as a result of occupancy gains in the retail, multifamily and industrial sectors, partially offset by a decline in occupancy in the office sector. Occupancy in the multifamily sector increased due to the lease-up of units at the Ashby that were vacant for renovation in 2004. Industrial occupancy increased 30 basis points in the 2005 Quarter over the 2004 Quarter and 180 basis points in the 2005 Period over the 2004 Period due to leasing activity in the core portfolio and a combined occupancy of 97.0% in the 2005 Quarter and Period for the properties acquired in 2005 (Coleman Building) and 2004 (8880 Gorman Road and Dulles Business Park). Retail occupancy was positively impacted by completion of redevelopment activities in the fourth quarter of 2004 at Westminster Shopping Center, allowing for the move in of a large grocery anchor. Office occupancy decreased primarily due to the expiration of several leases that did not renew at 7900 Westpark, 1700 Research Boulevard and 515 King Street in the fourth quarter of 2004.

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REAL ESTATE OPERATING EXPENSES

Real estate operating expenses are summarized as follows (all data in thousands, except percentage amounts):

	Quarter Ended June 30,				Period Ended June 30,			
	2005	2004	$ Change	% Change	2005	2004	$ Change	% Change
Property operating expenses	$ 10,034	$ 9,127	$ 907	9.9%	$ 20,328	$ 18,318	$ 2,010	11.0%
Real estate taxes	3,952	3,477	475	13.7%	7,864	6,927	937	13.5%
	$ 13,986	$ 12,604	$ 1,382	11.0%	$ 28,192	$ 25,245	$ 2,947	11.7%

Property operating expenses include utilities, repairs and maintenance, property administration and management, operating services, common area maintenance and other operating expenses.

Real estate operating expenses were 30.0% and 30.6% of revenue in the 2005 Quarter and Period, respectively, and 29.6% and 29.7% of revenue in the 2004 Quarter and Period, respectively. The properties acquired in 2004 and 2005 accounted for $0.4 million of the $0.9 million increase in property operating expenses and almost $0.3 million of the $0.5 million increase in real estate taxes over the 2004 Quarter. Core property operating expenses increased $0.5 million as a result of higher utility costs, real estate taxes and marketing and other administrative expenses.

Properties acquired in 2004 and 2005 accounted for $0.8 million of the $2.0 million increase in property operating expenses and almost $0.5 of the $0.9 million increase in real estate taxes over the 2004 Period. Core property operating expenses increased $1.2 million as a result of higher utility costs, real estate taxes and other administrative expenses.

OTHER OPERATING EXPENSES

Other operating expenses are summarized as follows (all data in thousands, except percentage amounts):

	Quarter Ended June 30,				Period Ended June 30,			
	2005	2004	$ Change	% Change	2005	2004	$ Change	% Change
Depreciation & amortization	$ 12,967	$ 9,650	$ 3,317	34.4%	$ 23,531	$ 19,075	$ 4,456	23.4%
Interest expense	9,283	8,614	669	7.8%	17,870	17,189	681	4.0%
General & administrative	2,092	1,727	365	21.1%	4,325	2,956	1,369	46.3%
	$ 24,342	$ 19,991	$ 4,351	21.8%	$ 45,726	$ 39,220	$ 6,506	16.6%

Depreciation and amortization expense increased $3.3 million (34.4%) to $13.0 million in the 2005 Quarter from $9.7 million in the 2004 Quarter and increased $4.5 million (23.4%) to $23.5 million in the 2005 Period from $19.1 million in the 2004 Period, due primarily to total acquisitions of $138.8 million and capital and tenant improvement expenditures of $53.5 million in 2004 and in the 2005 Period, combined. In the 2005 Quarter and Period, $1.2 million and $2.0 million, respectively, of the increase in depreciation and amortization expense was from properties acquired in 2005 and 2004. Core properties contributed $2.1 million in the 2005 Quarter and $2.5 million in the 2005 Period to the increase in depreciation and amortization including $1.9 million of increased depreciation expense related to the redevelopment of 718 East Jefferson Street, 800 South Washington Street and Foxchase Shopping Center.

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Interest expense increased $0.7 million to $9.3 million in the 2005 Quarter and $0.7 million to $17.9 million in the 2005 Period. The increase in interest expense for the current quarter over the prior quarter was primarily due to an increase of $0.7 million in mortgage interest resulting from mortgage assumptions with certain acquisitions. The increase in interest expense for the current period over the prior period is due to the increased mortgage debt described above as well as an increase in short term borrowing on the lines of credit to fund acquisitions. In the current period, this was offset by a reduction in interest on long-term debt as a result of the payoff of $55.0 million of 7.78% notes in November, 2004. A summary of interest expense for the Quarter and Period ended June 30, 2005 and 2004, respectively, appears below (in millions):

	Quarter Ended June 30,			Period Ended June 30,		
Debt Type	**2005**	**2004**	**$ Change**	**2005**	**2004**	**$ Change**
Notes payable	$ 6.1	$ 6.3	$ (0.2)	$11.3	$12.6	$ (1.3)
Mortgages	3.1	2.4	0.7	5.9	4.7	1.2
Lines of credit	0.3	0.1	0.2	1.2	0.2	1.0
Capitalized interest	(0.2)	(0.2)	—	(0.5)	(0.3)	(0.2)
Total	$ 9.3	$ 8.6	$ 0.7	$17.9	$17.2	$ 0.7

General and administrative expenses increased to $2.1 million for the 2005 Quarter compared to $1.7 million for the 2004 Quarter, and $4.3 million for the 2005 Period compared to $3.0 million for the 2004 Period primarily due to higher compensation expense and accounting fees.

DISCONTINUED OPERATIONS

We dispose of assets (sometimes using tax-deferred exchanges) that are inconsistent with our long term strategic or return objectives or where market conditions for sale are favorable. The proceeds from the sales are reinvested into other properties, used to fund development operations or support corporate needs, or distributed to our shareholders. WRIT sold the following properties during the 2005 Period:

Disposition Date	Property Name	Property Type	Rentable Square Feet	Sale Price (in thousands)	Gain on Sale
February 1, 2005	7700 Leesburg Pike	Office	147,000	$ 20,150	$ 8,527
February 1, 2005	Tycon Plaza II	Office	127,000	19,400	8,867
February 1, 2005	Tycon Plaza III	Office	137,000	27,950	14,696
		Total 2005 Period	411,000	$ 67,500	$ 32,090

The above properties, classified as discontinued operations effective November, 2004, were sold to a single buyer for a $67.5 million contract sales price on February 1, 2005. WRIT recognized a gain on disposal of $32.1 million, in accordance with SFAS No. 66, “Accounting for Sales of Real Estate.” $31.3 million of the proceeds from the disposition were escrowed in a tax –free property exchange account and subsequently used to fund a portion of the purchase price of Frederick Crossing Shopping Center on March 23, 2005, and to fund the purchase of the Coleman Building on April 8, 2005. $31.0 million of the proceeds were used to pay down $31.0 million outstanding under Credit Facility No. 2. In addition there was a gain of $1.9 million recognized in the 2005 Quarter previously deferred from the sale of Boone Boulevard.

Discontinued operations for the 2005 Quarter and Period consist of the properties sold in February 2005. For the 2004 Quarter and period, discontinued operations include those same properties and 8230 Boone Boulevard, which was sold on November 15, 2004. Operating results of the properties classified as discontinued operations are summarized as follows (in thousands):

	Quarter ended June 30,		Period ended June 30,	
	2005	**2004**	**2005**	**2004**
Revenues	$ —	$ 2,205	$ 543	$ 4,317
Property expenses	—	(796)	(309)	(1,618)
Depreciation and amortization	—	(470)	—	(918)
	$ —	$ 939	$ 234	$ 1,781

NET OPERATING INCOME

Real estate NOI is one of the key performance measures we use to assess the results of our operations at the property level. We provide NOI as a supplement to net income calculated in accordance with accounting principles generally accepted in the United States of America (“GAAP”). NOI does not represent net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. NOI is calculated as net

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income, less non-real estate ("other") revenue, plus interest expense, depreciation and amortization and general and administrative expenses. A reconciliation of NOI to net income is provided below.

2005 Quarter Compared to the 2004 Quarter

The following tables of selected consolidated operating data provide the basis for our discussion of NOI in the 2005 Quarter compared to the 2004 Quarter. All amounts are in thousands except percentage amounts.

	Quarter Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$ 43,266	$42,623	$ 643	1.5%
Non-core [1]	3,343	—	3,343	—
Total Real Estate Rental Revenue	$ 46,609	$42,623	$ 3,986	9.4%
Real Estate Expenses				
Core	$ 13,280	$12,604	$ 676	5.4%
Non-core [1]	706	—	706	—
Total Real Estate Expenses	$ 13,986	$12,604	$ 1,382	11.0%
Net Operating Income				
Core	$ 29,986	$30,019	$ (33)	(0.1)%
Non-core [1]	2,637	—	2,637	—
Total Net Operating Income	$ 32,623	$30,019	$ 2,604	8.7%
Reconciliation to Net Income				
NOI	$ 32,623	$30,019		
Other revenue	207	115		
Other income from property settlement	504	—		
Interest expense	(9,283)	(8,614)		
Depreciation and amortization	(12,967)	(9,650)		
General and administrative expenses	(2,092)	(1,727)		
Discontinued operations[2]	1,883	939		
Net Income	$ 10,875	$11,082		

	Quarter Ended June 30,	
	2005	2004
Economic Occupancy		
Core	91.7%	91.4%
Non-core [1]	97.2%	—
Total	92.0%	91.4%

(1) Non-core properties include:

2005 acquisitions – Frederick Crossing, Coleman Building

2004 acquisitions – Shady Grove Medical Village II, 8301 Arlington Boulevard and Dulles Business Park

(2) Discontinued operations include gain on disposals and income from operations for:

2005 disposals – Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike

2004 disposals – 8230 Boone Boulevard

We recognized NOI of $32.6 million in the 2005 Quarter, which was $2.6 million or 8.7% greater than in the 2004 Quarter due largely to our acquisitions in the last twelve months, which added 736,300 square feet of net rentable space. These acquired properties contributed $2.6 million in NOI in the 2005 Quarter (8.0% of total NOI).

Core properties experienced a slight decrease (0.1%) in NOI due primarily to a $0.7 million increase in real estate expenses, which offset the $0.6 million increase in real estate revenue. Real estate revenue benefited from increased occupancy and

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rental rates in the Industrial and Mulitfamily sectors offset somewhat by increased vacancy and reduced rental rates in the Office sector. The increase in core expenses was driven by the Office and Residential sectors, which contributed $0.3 million and $0.2 million, respectively, to the increase as a result of higher real estate taxes, utilities and administrative expenses.

Overall economic occupancy increased from 91.4% in the 2004 Quarter to 92.0% in the 2005 Quarter as core economic occupancy increased slightly from 91.4% to 91.7%, due largely to increases in the Retail and Multifamily sectors, offset somewhat by a 100 basis point decrease in core Office sector occupancy. As of June 30, 2005, 6.0% of the total commercial square footage leased is scheduled to expire in 2005. During the quarter, 37.1% of the square footage that expired was renewed. An analysis of NOI by sector follows.

Office Sector

	Quarter Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$22,444	$22,800	$ (356)	(1.6)%
Non-core [1]	792	—	792	n/a
Total Real Estate Rental Revenue	$23,236	$22,800	$ 436	1.9%
Real Estate Expenses				
Core	$ 7,180	$ 6,906	$ 274	4.0%
Non-core [1]	228	—	228	n/a
Total Real Estate Expenses	$ 7,408	$ 6,906	$ 502	7.3%
Net Operating Income				
Core	$15,264	$15,894	$ (630)	(4.0)%
Non-core [1]	564	—	564	n/a
Total Net Operating Income	$15,828	$15,894	$ (66)	(0.4)%
Reconciliation to Net Income				
NOI	$15,828	$15,894		
Interest expense	(1,168)	(1,106)		
Depreciation and amortization	(6,276)	(5,945)		
Discontinued operations[2]	1,883	939		
Net Income	$10,267	$ 9,782		

	Quarter Ended June 30,	
	2005	2004
Economic Occupancy		
Core	89.6%	90.6%
Non-core [1]	95.1%	—
Total	89.8%	90.6%

(1) Non-core properties include:

2004 acquisitions – Shady Grove Medical Village II and 8301 Arlington Boulevard

(2) Discontinued operations include gain on disposals and income from operations for:

2005 disposals – Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike

2004 disposals – 8230 Boone Boulevard

The Office sector recognized NOI of $15.8 million in the 2005 Quarter, which was $0.1 million, or 0.4%, lower than in the 2004 Quarter primarily due to decreased minimum rent as a result of lower occupancy.

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Office sector NOI was $0.1 million (0.4%) lower than in the comparable quarter in 2004 due primarily to lower core real estate revenue of $22.4 million combined with a $0.3 million increase in core real estate expenses. Properties acquired in 2005 and 2004 contributed $0.6 million (3.6%) to NOI.

Core office rental revenue decreased because rental rates were down 0.5% compared to the second quarter 2004 and occupancy was down 100 basis points. These decreases were driven by the expiration of several leases in the fourth quarter of 2004 that were not renewed at 7900 Westpark, 1700 Research Boulevard and 515 King Street. Core real estate expenses were higher due primarily to increased utility and real estate tax expenses as a result of supplier rate increases and higher value assessments, respectively.

Core economic occupancy decreased from 90.6% to 89.6% as a result of the aforementioned vacancies. As of June 30, 2005, 4.2% of the total office square footage leased is scheduled to expire in 2005. During the quarter, 57.2% of the square footage that expired was renewed.

During the 2005 Quarter, we executed new leases for 95,500 square feet of office space at an average rent increase of 1.4%.

Retail Sector

	Quarter Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$ 7,000	$6,803	$ 197	2.9%
Non-core [(1)]	1,132	—	1,132	n/a
Total Real Estate Rental Revenue	$ 8,132	$6,803	$ 1,329	19.5%
Real Estate Expenses				
Core	$ 1,609	$1,576	$ 33	2.1%
Non-core [(1)]	177	—	177	n/a
Total Real Estate Expenses	$ 1,786	$1,576	$ 210	13.3%
Net Operating Income				
Core	$ 5,391	$5,227	$ 164	3.1%
Non-core [(1)]	955	—	955	n/a
Total Net Operating Income	$ 6,346	$5,227	$ 1,119	21.4%
Reconciliation to Net Income				
NOI	$ 6,346	$5,227		
Interest Expense	(351)	—		
Depreciation and amortization	(3,215)	(907)		
Net Income	$ 2,780	$4,320		

	Quarter Ended June 30,	
	2005	2004
Economic Occupancy		
Core	96.7%	94.6%
Non-core [(1)]	100.0%	—
Total	97.2%	94.6%

(1) Non-core properties include:

2005 acquisition – Frederick Crossing

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Retail sector NOI increased in the 2005 Quarter to $6.4 million from $5.2 million in the 2004 Quarter. The acquisition in March, 2005 contributed $1.0 million (15.0%) to NOI.

The increase in core NOI of $0.2 million was due to a $0.2 million increase in revenues offset somewhat by a slight increase in expenses. The revenue improvement was driven by a 1.1% increase in rental rates due to tenants renewing leases at higher rates, and a 210 basis point increase in occupancy due to the move-in of the grocery anchor tenant at Westminster upon completion of the center's redevelopment. Core real estate expenses increased slightly due to higher real estate taxes.

As of June 30, 2005, 1.5% of the total retail square footage leased is scheduled to expire in 2005. During the quarter, 92.3% of the square footage that expired was renewed.

During the 2005 Quarter, we executed new leases for 47,400 square feet of retail space at an average rent increase of 20.4%.

Multifamily Sector

	Quarter Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core/Total	$ 7,579	$ 7,175	$ 404	5.6%
Real Estate Expenses				
Core/Total	$ 3,010	$ 2,817	$ 193	6.9%
Net Operating Income				
Core/Total	$ 4,569	$ 4,358	$ 211	4.8%
Reconciliation to Net Income				
NOI	$ 4,569	$ 4,358		
Interest expense	(1,062)	(1,067)		
Depreciation and amortization	(1,274)	(1,197)		
Net Income	$ 2,233	$ 2,094		

	Quarter Ended June 30,	
	2005	2004
Economic Occupancy		
Core/Total	93.7%	90.4%

Multifamily NOI was higher in the 2005 Quarter as compared to the same time period in 2004 because of a $0.4 million increase in real estate revenue offset somewhat by a $0.2 million increase in real estate expenses. Revenues were higher due to a 3.2% increase in rental rates that was generally portfolio-wide, and a 330 basis point increase in occupancy resulting from the completed renovation and occupancy of several units at the Ashby at McLean which were off the market in the 2004 Quarter, and higher occupancy at other properties. The increase in real estate expenses was increased real estate taxes, as well as marketing and other administrative expenses.

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Industrial Sector

	Quarter Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$ 6,243	$ 5,845	$ 398	6.8%
Non-core [1]	1,419	—	1,419	n/a
Total Real Estate Rental Revenue	$ 7,662	$ 5,845	$ 1,817	31.1%
Real Estate Expenses				
Core	$ 1,481	$ 1,305	$ 176	13.5%
Non-core [1]	301	—	301	n/a
Total Real Estate Expenses	$ 1,782	$ 1,305	$ 477	36.6%
Net Operating Income				
Core	$ 4,762	$ 4,540	$ 222	4.9%
Non-core [1]	1,118	—	1,118	n/a
Total Net Operating Income	$ 5,880	$ 4,540	$ 1,340	29.5%
Reconciliation to Net Income				
NOI	$ 5,880	$ 4,540		
Interest expense	(509)	(252)		
Depreciation and amortization	(1,999)	(1,363)		
Net Income	$ 3,372	$ 2,925		

	Quarter Ended June 30,	
	2005	2004
Economic Occupancy		
Core	92.1%	92.6%
Non-core [1]	96.4%	—
Total	92.9%	92.6%

[1] Non-core properties include:

2005 acquisition – Coleman Building

2004 acquisitions – Dulles Business Park

The Industrial sector recognized NOI of $5.9 million in the 2005 Quarter, which was $1.3 million (29.5 %) greater than in the 2004 Quarter due to a $0.2 million increase in core NOI and the acquisitions of the Coleman Building in April, 2005 and the Dulles Business Park portfolio in December 2004 which combined contributed $1.1 million (19.0%) to NOI.

Core properties experienced a $0.2 million (4.9%) increase in NOI due to a $0.4 million improvement in revenues, while real estate expenses increased somewhat to $1.5 million from $1.3 million. Core revenues increased due primarily to a 3.9% growth in rental rates offset somewhat by a 50 basis point decrease in occupancy. As of June 30, 2005, 10.9% of the total Industrial square footage leased is scheduled to expire in 2005. During the 2005 Quarter, 21.5% of the square footage that expired was renewed.

During the 2005 Quarter, we executed new leases for 191,500 square feet of industrial space at an average rent increase of 4.25%.

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2005 Period Compared to the 2004 Period

The following tables of selected consolidated operating data provide the basis for our discussion of NOI in the 2005 Period compared to the 2004 Period. All amounts are in thousands except percentage amounts.

	Period Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$ 85,916	$ 84,536	$ 1,380	1.6%
Non-core [1]	6,080	352	5,728	n/a
Total Real Estate Rental Revenue	$ 91,996	$ 84,888	$ 7,108	8.4%
Real Estate Expenses				
Core	$ 26,851	$ 25,194	$ 1,657	6.6%
Non-core [1]	1,341	51	1,290	n/a
Total Real Estate Expenses	$ 28,192	$ 25,245	$ 2,947	11.7%
Net Operating Income				
Core	$ 59,065	$ 59,342	$ (277)	(0.5)%
Non-core [1]	4,739	301	4,438	n/a
Total Net Operating Income	$ 63,804	$ 59,643	$ 4,161	7.0%
Reconciliation to Net Income				
NOI	$ 63,804	$ 59,643		
Other revenue	321	180		
Other income from property settlement	504	—		
Interest expense	(17,870)	(17,189)		
Depreciation and amortization	(23,531)	(19,075)		
General and administrative expenses	(4,325)	(2,956)		
Discontinued operations[2]	34,207	1,781		
Net Income	$ 53,110	$ 22,384		

	Period Ended June 30,	
	2005	2004
Economic Occupancy		
Core	91.4%	91.3%
Non-core [1]	97.2%	100.0%
Total	91.8%	91.3%

(1) Non-core properties include:

2005 acquisitions – Frederick Crossing and the Coleman Building

2004 acquisitions – 8880 Gorman Road, Shady Grove Medical Village II, 8301 Arlington Boulevard and Dulles Business Park

(2) Discontinued operations include gain on disposals and income from operations for:

2005 disposals – Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike

2004 disposal – 8230 Boone Boulevard

We recognized NOI of $63.8 million in the 2005 Period, which was $4.2 million or 7.0% greater than in the 2004 Period due largely to our 2004 and 2005 acquisitions, which added 877,000 square feet of net rentable space. These acquired properties contributed $4.7 million in NOI in the 2005 Period (7.4% of total NOI).

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Core properties experienced a $0.3 million (0.5%) decrease in NOI due primarily to a $1.7 million increase in real estate expenses, which offset the $1.4 million increase in revenue. Real estate revenue was positively impacted by a 0.9% growth in rental rates due to increases in the Retail, Industrial and Multifamily sectors and an increase of $0.8 million in expense reimbursements. Increased vacancies of $0.8 million in the Office sector partially offset a $0.9 million increase in Residential, Industrial and Retail occupancy combined. Also, percentage rent decreased $0.2 million in the Retail sector.

The increase in core expenses was a result of increased utility costs, real estate taxes and marketing and other administrative expenses.

Overall economic occupancy increased from 91.3% in the 2004 Period to 91.8% in the 2005 Period due largely to the properties acquired in 2005 and 2004. Core economic occupancy was higher at 91.4% compared to 91.3% due largely to the combined increases in the Retail, Multifamily and Industrial occupancy, offset by a 180 basis point decrease in Office sector occupancy. During the 2005 Period, 59.0% of the square footage that expired was renewed. An analysis of NOI by sector follows.

Office Sector

	Period Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$ 44,828	$ 45,540	$ (712)	(1.6)%
Non-core [1]	1,633	—	1,633	n/a
Total Real Estate Rental Revenue	$ 46,461	$ 45,450	$ 921	2.0%
Real Estate Expenses				
Core	$ 14,668	$ 13,827	$ 841	6.1%
Non-core [1]	478	—	478	n/a
Total Real Estate Expenses	$ 15,146	$ 13,827	$ 1,319	9.5%
Net Operating Income				
Core	$ 30,160	$ 31,713	$(1,553)	(4.9)%
Non-core [1]	1,155	—	1,155	n/a
Total Net Operating Income	$ 31,315	$ 31,713	$ (398)	(1.3)%
Reconciliation to Net Income				
NOI	$ 31,315	$ 31,713		
Interest expense	(2,337)	(2,095)		
Depreciation and amortization	(12,496)	(11,664)		
Discontinued operations[2]	34,207	1,781		
Net Income	$ 50,689	$ 19,735		

	Period Ended June 30,	
	2005	2004
Economic Occupancy		
Core	89.1%	90.9%
Non-core [1]	95.6%	—
Total	89.3%	90.9%

[1] Non-core properties include:

2004 acquisition – Shady Grove Medical Village II and 8301 Arlington Boulevard

[2] Discontinued operations include gain on disposals and income from operations for:

2005 disposals – Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike

2004 disposal – 8230 Boone Boulevard

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The Office sector recognized NOI of $31.3 million in the 2005 Period, which was $0.4 million (1.3%) lower than in the 2004 Period due primarily to increased vacancy in our core portfolio and increased operating expenses, offset somewhat by our acquisitions of Shady Grove Medical Village II in August 2004 and 8301 Arlington Boulevard in October 2004. These properties contributed $1.2 million to NOI (3.7% of the total).

Core Office properties experienced a $1.6 million (4.9%) decrease in NOI due to a $0.9 million increase in real estate expenses and a $0.7 million decline in revenues. Core office rental rates were 0.6% lower than the 2004 Period and occupancy was 180 basis points lower (an $0.8 million impact). This was offset somewhat by an increase of $0.3 million in recoveries from tenants due to higher operating expenses. Core real estate expenses were higher due primarily to higher utility costs and real estate taxes.

Core economic occupancy for the office sector was down to 89.1% from 90.9% and overall economic occupancy decreased from 90.9% to 89.3%. During the 2005 Period, 65.0% of the square footage that expired was renewed. This renewal rate was lower than usual due to pricing pressure in a period of low demand.

During the 2005 Period, we executed new leases for 425,000 square feet of office space at an average rent increase of 4.9%.

Retail Sector

	Period Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$13,969	$13,569	$ 400	2.9%
Non-core [1]	1,240	—	1,240	n/a
Total Real Estate Rental Revenue	$15,209	$13,569	$ 1,640	12.1%
Real Estate Expenses				
Core	$ 3,216	$ 3,050	$ 166	5.4%
Non-core [1]	188	—	188	n/a
Total Real Estate Expenses	$ 3,404	$ 3,050	$ 354	11.6%
Net Operating Income				
Core	$10,753	$10,519	$ 234	2.2%
Non-core [1]	1,052	—	1,052	n/a
Total Net Operating Income	$11,805	$10,519	$ 1,286	12.2%
Reconciliation to Net Income				
NOI	$11,805	$10,519		
Interest Expense	(387)	—		
Depreciation and amortization	(4,441)	(1,835)		
Net Income	$ 6,977	$ 8,684		

	Period Ended June 30,	
	2005	2004
Economic Occupancy		
Core	96.5%	94.5%
Non-core [1]	100.0%	—
Total	96.8%	94.5%

[1] Non-core properties include:

2005 acquisitions – Frederick Crossing

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The Retail sector recognized NOI of $11.8 million in the 2005 Period, which was $1.3 million (12.2%) greater than in the 2004 Period due primarily to the acquisition of Frederick Crossing in March, 2005 which contributed $1.1 million in NOI (8.9%) and an increase in core NOI of $0.2 million.

The increase in core NOI was due to a $0.4 million increase in rental revenues offset somewhat by an increase in real estate expenses of $0.2 million. The revenue increase was driven by increased occupancy and a 1.4% increase in rental rates as well as a $0.2 million increase in expense reimbursements. This was offset somewhat by a $0.2 million decrease in percentage rent. Real estate expenses increased $0.2 million due to increased real estates taxes and utility costs.

Core economic occupancy for the retail sector increased to 96.5% from 94.5% primarily as a result of the grocery store chain move in after the development activity at Westminster. During the 2005 Period, 95.5% of the square footage that expired was renewed.

During the 2005 Period, we executed new leases for 84,000 square feet of retail space at an average rent increase of 25.5%.

Multifamily Sector

	Period Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core/Total	$15,038	$14,234	$ 804	5.6%
Real Estate Expenses				
Core/Total	$ 6,130	$ 5,706	$ 424	7.4%
Net Operating Income				
Core/Total	$ 8,908	$ 8,528	$ 380	4.5%
Reconciliation to Net Income				
NOI	$ 8,908	$ 8,528		
Interest expense	(2,126)	(2,135)		
Depreciation and amortization	(2,485)	(2,393)		
Net Income	$ 4,297	$ 4,000		

	Period Ended June 30,	
	2005	2004
Economic Occupancy		
Core/Total	93.0%	89.5%

Multifamily NOI increased $0.4 million (4.5%) due primarily to a $0.8 million increase in real estate revenue as a result of increased occupancy and a 2.8% increase in rental rates, offset by increased real estate expenses due to increases in property marketing costs and administrative expenses as well as utility costs and real estate taxes. Revenues increased due to a 350 basis point increase in occupancy due primarily to the completed renovation and subsequent leasing of 25 units taken off-market at The Ashby at McLean during the 2004 Period.

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Industrial Sector

	Period Ended June 30,			
	2005	2004	$ Change	% Change
Real Estate Rental Revenue				
Core	$12,081	$11,193	$ 888	7.9%
Non-core [1]	3,207	352	2,855	n/a
Total Real Estate Rental Revenue	$15,288	$11,545	$ 3,743	32.4%
Real Estate Expenses				
Core	$ 2,837	$ 2,611	$ 226	8.7%
Non-core [1]	675	51	624	n/a
Total Real Estate Expenses	$ 3,512	$ 2,662	$ 850	31.9%
Net Operating Income				
Core	$ 9,244	$ 8,582	$ 662	7.7%
Non-core [1]	2,532	301	2,231	n/a
Total Net Operating Income	$11,776	$ 8,883	$ 2,893	32.6%
Reconciliation to Net Income				
NOI	$11,776	$ 8,883		
Interest expense	(1,020)	(505)		
Depreciation and amortization	(3,893)	(2,667)		
Net Income	$ 6,863	$ 5,711		

	Period Ended June 30,	
	2005	2004
Economic Occupancy		
Core	93.2%	91.9%
Non-core [1]	97.0%	100.0%
Total	93.9%	92.1%

(1) Non-core properties include:

2005 acquisition – Coleman Building

2004 acquisitions – 8880 Gorman Road and Dulles Business Park

The Industrial sector recognized NOI of $11.8 million in the 2005 Period, which was $2.9 million (32.6%) greater than in the 2004 Period due to a $0.7 million increase in core NOI and the acquisitions of the Coleman Building in April 2005, 8880 Gorman Road in March 2004 and Dulles Business Park in December 2004 which together contributed $2.5 million (21.5%) of the total NOI.

Core properties experienced a $0.7 million (7.7 %) increase in NOI due to a $0.9 million improvement in revenues, while real estate expenses increased $0.2 million. Core revenues increased due primarily to a 130 basis point growth in occupancy driven by increased leasing activity at Ammendale II and the Earhart Building, and a 3.9% increase in rental rates. During the 2005 Period, 43.8% of the square footage that expired was renewed.

During the 2005 Period, we executed new leases for 377,600 square feet of Industrial space at an average rent increase of 4.8%.

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LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash from our real estate operations and our unsecured credit facilities. As of June 30, 2005, we had approximately $18.7 million in cash and cash equivalents and $135.0 million available for borrowing under our unsecured credit facilities. In February 2005, we sold Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike for a combined sale price of $67.5 million. We used $31.0 million of the proceeds in February 2005 to pay down credit facility borrowings, $19.5 million toward the purchase of Frederick Crossing in March 2005 and $8.3 million toward the purchase of the Coleman Building in April 2005. In late April, 2005, we paid in full the remaining amounts outstanding under our unsecured credit facilities using proceeds from two issuances of $50 million unsecured notes (for a net total of $99.3 million) at 5.05% and 5.35%, respectively. This left $135.0 million currently available for borrowing under our credit facilities.

We derive substantially all of our revenue from tenants under leases at our properties. Our operating cash flow therefore depends materially on our ability to lease our properties to tenants, the rents that we are able to charge to our tenants, and the ability of these tenants to make their rental payments.

Our primary uses of cash are to fund distributions to shareholders, to fund capital investments in our existing portfolio of operating assets, to fund new acquisitions, redevelopment and ground-up development activities and to fund operating and administrative expenses. As a REIT, we are required to distribute at least 90% of our taxable income to our shareholders on an annual basis. We also regularly require capital to invest in our existing portfolio of operating assets in connection with large-scale renovations, routine capital improvements, deferred maintenance on properties we have recently acquired, and our leasing activities, including funding tenant improvement allowances and leasing commissions. The amounts of the leasing-related expenditures can vary significantly depending on negotiations with tenants and the current competitive leasing environment.

As we review the results of the first six months and anticipate the business activity for the remainder of 2005, we expect that we will have significant capital requirements, including the following items:

- Funding dividends on our common shares and minority interest distributions to third party unit holders;
- Approximately $38.0 million to invest in our existing portfolio of operating assets, including approximately $13.0 million to fund tenant-related capital requirements;
- Approximately $28.0 million to invest in our development projects;
- Approximately $121.0 million to fund our expected property acquisitions;

We expect to meet our capital requirements using cash generated by our real estate operations and through borrowings on our unsecured credit facilities, additional debt or equity capital raised in the public market, possible asset dispositions or funding acquisitions of properties through property-specific mortgage debt.

We believe that we will generate sufficient cash flow from operations and have access to the capital resources necessary to fund our requirements. However, as a result of general, Greater Washington-Baltimore regional, or tenant economic downturns, unfavorable changes in the supply of competing properties, or our properties not performing as expected, we may not generate sufficient cash flow from operations or otherwise have access to capital on favorable terms, or at all. If we are unable to obtain capital from other sources, we may not be able to pay the dividend required to maintain our status as a REIT, make required principal and interest payments, make strategic acquisitions, or make necessary routine capital improvements or undertake redevelopment opportunities with respect to our existing portfolio of operating assets. In addition, if a property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the holder of the mortgage could foreclose on the property, resulting in loss of income and asset value.

If principal amounts due at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new debt or equity capital, our cash flow may be insufficient to repay all maturing debt. Prevailing interest rates or other factors at the time of a refinancing (such as possible reluctance of lenders to make commercial real estate loans) may result in higher interest rates and increased interest expense.

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Capital Structure

We manage our capital structure to reflect a long-term investment approach, generally seeking to match the cash flow of our assets with a mix of equity and various debt instruments. We expect that our capital structure will allow us to obtain additional capital from diverse sources that could include additional equity offerings of common shares, public and private debt financings and possible asset dispositions. Our ability to raise funds through the sale of debt and equity securities is dependent on, among other things, general economic conditions, general market conditions for REITs, our operating performance, our debt rating and the current trading price of our shares. We will always analyze which source of capital is most advantageous to us at any particular point in time; however, the capital markets may not consistently be available on terms that are attractive.

On April 26, 2005, we sold $50.0 million of 5.05% senior unsecured notes due May 1, 2012 and $50.0 million of 5.35% senior unsecured noted due May 1, 2015, at effective yields of 5.064% and 5.359% respectively. The net proceeds from the sale of the notes of $99.3 million were used to repay borrowings under our lines of credit totaling $90.5 million and the remainder may be used for the acquisition of real estate and general corporate purposes.

Debt Financing

We generally use unsecured, corporate-level debt, including unsecured notes and our unsecured credit facilities, to meet our borrowing needs. Our total debt at June 30, 2005 is summarized as follows (in thousands):

Fixed rate mortgages	$ 196,960
Unsecured credit facilities	—
Unsecured notes payable	420,000
Total debt	$ 616,960

The $197.0 million in fixed rate mortgages, which includes $4.4 million in unamortized premiums due to fair value adjustments, bore an effective weighted average interest rate of 6.6% at June 30, 2005 and had a weighted average maturity of 5.3 years. Three of the fixed rate mortgages with an aggregate balance of $25.9 million at June 30, 2005, mature in the second half of 2005. We anticipate paying these mortgages on, or before, their scheduled maturity dates utilizing credit facility borrowings.

Our primary external source of liquidity is our two revolving credit facilities. At June 30 we could borrow up to $135.0 million under these lines (increased to $155 million on July 25, 2005, see below), which bear interest at an adjustable spread over LIBOR based on our public debt rating. Credit Facility No. 1 is a three-year, $85.0 million unsecured credit facility expiring in July 2007. Credit Facility No. 2 is a three-year $50.0 million unsecured credit facility that expired in July 2005 (see below). In April 2005 we issued $50.0 million of seven-year, 5.05% unsecured notes and $50.0 million of ten-year, 5.35% unsecured notes (See Note 6 – Notes Payable) a portion of which was used to pay off the borrowings on the credit facilities that had previously been used to fund acquisition and capital expenditures.

On July 25, 2005 we renewed Credit Facility No. 2, extending its maturity date to July 25, 2008, and increasing the maximum available commitment to $70.0 million. This renewal and extension included a carve-out for letters of credit in the amount of $14.0 million associated with current development projects.

We anticipate that over the near term, interest rate fluctuations will not have a material adverse effect on earnings. Our unsecured fixed-rate notes payable have maturities ranging from August 2006 through February 2028 (see Note 6), as follows (in thousands):

	Note Principal
7.25% notes due 2006	50,000
6.74% notes due 2008	60,000
5.05% notes due 2012	50,000
5.125% notes due 2013	60,000
5.25% notes due 2014	100,000
5.35% notes due 2015	50,000
7.25% notes due 2028	50,000
	$ 420,000

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Our unsecured revolving credit facilities and the unsecured notes payable contain certain financial and non-financial covenants, discussed in greater detail in our 2004 10-K, all of which were met as of June 30, 2005.

Dividends

We pay dividends quarterly. The maintenance of these dividends is subject to various factors, including the discretion of the Board of Trustees, the ability to pay dividends under Maryland law, the availability of cash to make the necessary dividend payments and the effect of REIT distribution requirements, which require at least 90% of our taxable income to be distributed to shareholders. The table below details our dividend and distribution payments for the Quarter and Period ended June 30, 2005 and 2004 (in thousands).

	Quarter Ended June 30,		Period Ended June 30,	
	2005	2004	2005	2004
Common dividends	$ 16,957	$ 16,394	$ 33,443	$ 31,952
Minority interest distributions	33	32	65	93
	$ 16,990	$ 16,426	$ 33,508	$ 32,045

Dividends paid for the 2005 Quarter and 2005 Period increased as a direct result of a dividend rate increase from $0.3925 per share in June 2004 to $.4025 per share in June 2005.

Acquisitions and Development

As of June 30 we acquired one Retail and one Industrial property in 2005 and one Industrial property in 2004 for a purchase price of $44.8 million, $8.8 million and $11.5 million, respectively. The Retail acquisition in 2005 was financed through the assumption of a loan in the amount of $24.3 million bearing an interest rate of 5.95% per annum, escrowed proceeds from the disposition of Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike in February, 2005 and borrowings under credit facility No. 1. The Industrial 2005 acquisition was funded with escrowed proceeds from the aforementioned dispositions and through borrowings under Credit Facility No. 1. All outstanding amounts under our credit facilities were then paid off with the proceeds of the debt issuance in April, 2005 discussed above. The 2004 Industrial acquisition was financed through a line of credit advance.

As of June 30, 2005, we had funded $18.4 million, including land costs, on two major development projects — Rosslyn Towers and South Washington Street — and one major redevelopment project at Foxchase Shopping Center. Investment during the second quarter of 2005 on these projects totaled $2.5 million compared to $0.8 million in the second quarter of 2004.

Historical Cash Flows

Consolidated cash flow information is summarized as follows (in millions):

	Period Ended June 30,		
	2005	2004	Change
Cash provided by operating activities	$ 49.2	$ 46.1	$ 3.1
Cash provided by (used in) investing activities	$ 14.2	$(26.0)	$ 40.2
Cash used in financing activities	$(50.3)	$(17.2)	$(33.1)

Operations generated $49.2 million of net cash in the 2005 Period compared to $46.1 million of net cash generated during the comparable period in 2004. The increase in cash flow was due primarily to additional income from assets acquired in 2005 and 2004. The level of net cash provided by operating activities is also affected by the timing of payment of expenses.

Our investing activities generated net cash of $14.2 million in the 2005 Period compared to the $26.0 million net cash used in the 2004 Period. This was primarily due to the $66.2 million in cash proceeds ($31.3 million of the proceeds were escrowed in a restricted cash account) from the disposition of Tycon Plaza II, Tycon Plaza III and 7700 Leesburg Pike and $1.9 million from the receipt of a portion of the gain previously deferred from the November, 2004 sale of 8230 Boone Boulevard, partially offset by the purchase of Frederick Crossing for a purchase price of $44.8 million, net of the assumption of a $24.3 million mortgage. We utilized $19.5 million in cash escrowed from the aforementioned disposition to fund a portion of the Frederick

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Crossing purchase price and $8.3 million to fund a portion of the purchase price of the Coleman Building. Also, capital improvements to real estate increased $5.9 million due to increased funding for the development of Rosslyn Towers and South Washington Street and the redevelopment of Foxchase Shopping Center.

Our financing activities used net cash of $50.3 million in the 2005 Period compared to $17.2 million in the 2004 Period. $117.0 million was repaid on our lines of credit compared with $13.2 million in net borrowings in the first half of 2004. This was offset somewhat by the proceeds of $99.3 million from the April, 2005 debt issuance of $50.0 million of seven-year, 5.05% unsecured notes and $50.0 million of ten-year, 5.35% unsecured notes (See Note 6 – Notes Payable). Additionally, there was a $1.5 million increase in dividends paid in the 2005 Period due to an increase in the dividend rate to $0.4025 in the 2005 Quarter from $0.3925 in the 2004 Quarter. Net proceeds from the exercise of share options increased $0.3 million due to greater options exercises.

RATIOS OF EARNINGS TO FIXED CHARGES AND DEBT SERVICE COVERAGE

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

	Quarter Ended June 30,		Period Ended June 30,	
	2005	**2004**	**2005**	**2004**
Earnings to fixed charges	1.9x	2.1x	2.0x	2.2x
Debt service coverage	3.1x	3.3x	3.1x	3.3x

We computed the ratio of earnings to fixed charges 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.

We computed the debt service coverage ratio 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

Funds from Operations ("FFO") is a widely used measure of operating performance for real estate companies. We provide FFO as a supplemental measure to net income calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Although FFO is a widely used measure of operating performance for equity real estate investment trusts ("REITs"), FFO does not represent net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. In addition, FFO does not represent cash generated from operating activities in accordance with GAAP, nor does it represent cash available to pay distributions and should not be considered as an alternative to cash flow from operating activities, determined in accordance with GAAP as a measure of our liquidity. The National Association of Real Estate Investment Trusts, Inc. ("NAREIT") defines FFO (April, 2002 White Paper) as net income (computed in accordance with 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 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. Our FFO may not be comparable to FFO reported by other REITs. These other REITs may not define the term in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently.

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The following table provides the calculation of our FFO and a reconciliation of FFO to net income (in thousands):

	Quarter Ended June 30,		Period Ended June 30,	
	2005	2004	2005	2004
Net income	$ 10,875	$ 11,082	$ 53,110	$22,384
Adjustments:				
Other income from property settlement	(504)	—	(504)	—
Gain on disposal of real estate investment	(1,883)	—	(33,973)	—
Depreciation and amortization	12,967	9,650	23,531	19,075
Discontinued operations depreciation & amortization	—	470	—	918
FFO as defined by NAREIT	$ 21,455	$ 21,202	$ 42,164	$42,377

ITEM 3: QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT FINANCIAL MARKET RISK

The principal material financial market risk to which we are exposed is interest-rate risk. Our exposure to market risk for changes in interest rates relates primarily to refinancing long-term fixed rate obligations, the opportunity cost of fixed rate obligations in a falling interest rate environment and our variable rate lines of credit. We primarily enter into debt obligations to support general corporate purposes including acquisition of real estate properties, capital improvements and working capital needs. In the past we have used interest rate hedge agreements to hedge against rising interest rates in anticipation of imminent refinancing or new debt issuance.

Our interest rate risk has not changed significantly from what was disclosed in our 2004 Form 10-K.

ITEM 4: CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, Chief Financial Officer and Senior Vice President of Accounting, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Senior Vice President of Accounting, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2005. Based on the foregoing, our Chief Executive Officer, Chief Financial Officer and Senior Vice President of Accounting concluded that the Trust's disclosure controls and procedures were effective.

There have been no changes in the Company's internal control over financial reporting (as defined by Rule 13a-15(f)) that occurred during the period covered by the report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

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

At WRIT's annual meeting of Shareholders on May 12, 2005, the following members were elected to the Board of Trustees for a period of three years:

	Affirmative Votes	Negative Votes	Non-Votes
Mr. Robert W. Pivik	35,326,484	751,358	5,925,817
Ms. Susan J. Williams	35,244,513	833,329	6,759,146

Trustees whose term in office continued after the meeting were Mr. Edmund B. Cronin, Jr., Mr. John P. McDaniel, Mr. David M. Osnos, Mr. John M. Derrick, Jr., and Mr. Charles T. Nason.

The Shareholders did not approve a recommendation to the trustees and officers regarding bonus compensation. The proposal received the following votes:

Affirmative Votes	Negative Votes	Abstain Votes	Non-Votes
3,572,855	19,327,339	615,802	18,487,663

Item 5. Other Information

None

Item 6. Exhibits

(a) Exhibits

4 Instruments Defining Right of Security Holders

(t) Form of 5.05% Senior Notes due May 1, 2012[(1)]

(u) Form of 5.25% Senior Notes due May 1, 2015[(1)]

(v) Officers' Certificate establishing the terms of the Notes dated April 20, 2005[1)]

(w) Amendment to amended and restated credit agreement dated July 25, 2005, among Washington Real Estate Investment Trust, as borrower, SunTrust Bank, successor to Crestar Bank, as Agent, and SunTrust Bank, successor to Crestar Bank.

12. Computation of Ratios

31. Sarbanes-Oxley Act of 2002 Section 302 Certifications

(a) Certification – Chief Executive Officer

(b) Certification – Senior Vice President

(c) Certification – Chief Financial Officer

32. Sarbanes-Oxley Act of 2002 section 906 Certification

(a) Written Statement of Chief Executive Officer, Senior Vice President and Chief Financial Office

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[(1)] Incorporated herein by reference to Exhibits 4.1, 4.2 and 4.3, respectively, to the Trust's Form 8-K filed April 26, 2005.

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/ Edmund B. Cronin, Jr.
Edmund B. Cronin, Jr.
Chairman of the Board, President and
Chief Executive Officer

/s/ Laura M. Franklin
Laura M. Franklin
Senior Vice President
Accounting, Administration and
Corporate Secretary

/s/ Sara L. Grootwassink
Sara L. Grootwassink
Chief Financial Officer

Date: August 5, 2005

Exhibit 4

July 25, 2005

Washington Real Estate Investment Trust
6110 Executive Boulevard
Suite 800
Rockville, Maryland 20852

SunTrust Bank-$70,000,000
<u>Revolving Credit Facility for Washington Real Estate Investment Trust</u>

Gentlemen:

Reference is made to the Amended and Restated Credit Agreement, dated as of August 26, 1999, but effective for all purposes as of July 25, 1999 between Washington Real Estate Investment Trust (the Borrower), SunTrust Bank, successor to Crestar Bank, as Agent, and SunTrust Bank, successor to Crestar Bank, as the sole Bank (the Bank), as amended by the letter amendment dated as of July 25, 2002, between the Agent, the Bank, the Borrower and WRIT LP, as amended by the letter amendment dated as of March 14, 2005, between the Agent, the Bank, the Borrower and WRIT LP (as further amended, modified or supplemented from time to time, the Credit Agreement). Terms defined in the Credit Agreement shall have the same defined meanings when such terms are used herein.

The Bank and the Borrower have agreed to modify the terms of the Credit Agreement. Accordingly, for valuable consideration, the receipt and sufficiency of which are acknowledged, the Agent, the Bank, the Borrower and WRIT LP agree that:

1. The following definitions are added to Article 1 of the Credit Agreement in their proper alphabetical order:

“<u>Base Rate</u>” shall mean the higher of (i) the Prime Rate, and (ii) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%).

“<u>Base Rate Loan</u>” means any Loan or portion thereof with respect to which the interest rate is calculated by reference to the Base Rate.

“<u>Commitment Fee Rate</u>” has the meaning assigned to such term in Section 2,6.

“<u>Equity Interest</u>” means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person, any security

convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

"Equity Issuance" means any issuance or sale by a Person of any Equity Interest and shall in any event include the issuance of any Equity Interest upon the conversion or exchange of any security constituting Indebtedness that is convertible or exchangeable, or is being converted or exchanged, for Equity Interests.

"Existing Letters of Credit" means those letters of credit listed on Schedule 1 attached hereto.

"Fair Market Value" means, with respect to (a) a security listed on a national securities exchange or the NASDAQ National Market, the price of such security as reported on such exchange by any widely recognized reporting method customarily relied upon by financial institutions and (b) with respect to any other property, the price which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of which is under pressure or compulsion to complete the transaction.

"Issuing Bank" shall mean SunTrust Bank or any other Bank, each in its capacity as an issuer of Letters of Credit pursuant to Section 2.4.A.

"LC Commitment" shall mean that portion of the aggregate Commitments of the Banks that may be used by the Borrower for the issuance of Letters of Credit in an aggregate face amount not to exceed $14,000,000, or, if the aggregate Commitments of the Banks are increased pursuant to Section 2.1. A. of this Agreement, 20% of such aggregate Commitments, as so increased.

"LC Disbursement" shall mean a payment made by the Issuing Bank pursuant to the terms of a Letter of Credit.

"LC Documents" shall mean each Letter of Credit Agreement, the Letters of Credit and all other applications, agreements and

instruments executed and delivered by the Borrower relating to the Letters of Credit.

"LC Exposure" shall mean, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate amount of all LC Disbursements that have not been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Bank shall be its Commitment Percentage of the total LC Exposure at such time.

"Letters of Credit" means any letter of credit issued pursuant to Section 2.4.A. by the Issuing Bank for the account of the Borrower, pursuant to the LC Commitment, whether now outstanding or issued after July 25, 2005.

"Letter of Credit Agreement" means, collectively and individually, each standard form of Application and Agreement for Irrevocable Standby Letter of Credit, to be executed and delivered by the Borrower to the Issuing Bank in connection with each Letter of Credit, as any of the same may be amended, modified or supplemented from time to time.

"Net Proceeds" means, with respect to any Equity Issuance by a Person, the aggregate amount of all cash and the Fair Market Value of all other property received by such Person in respect of such Equity Issuance net of investment banking fees, legal fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred by such Person in connection with such Equity Issuance.

2. The definition of "Loan Documents" in Article 1 of the Credit Agreement is amended to include a reference to each Letter of Credit Agreement and each LC Document.

3. The definition of "Non-Usage Fee Rate" is hereby deleted.

4. Clause (b) of the definition of "Total Capitalization Value" in Article 1 of the Credit Agreement is amended to read as follows:

", and (b) 9."

5. Clause (b) of the definition of "Value of Unencumbered Assets" in Article 1 of the Credit Agreement is amended to read as follows:

", and (b) 9."

6. Section 2.1 of the Credit Agreement is amended as follows:

(a) The first sentence of Section 2.1 is amended to read as follows:

"Subject to the terms and conditions and relying upon the representations and warranties set forth in this Agreement, each Bank severally agrees to make loans (the "Loans") to the Borrower, from time to time on any Business Day (as defined below) during the period from the date hereof until July 25, 2008 (the "Termination Date") in an aggregate amount not to exceed at any time outstanding the commitment of such Bank (as to each Bank, its "Commitment") as set forth on the Commitment schedule attached as Schedule 2.1 (as amended from time to time, the "Commitment Schedule"), provided that at no time shall the outstanding Loans, plus the total LC Exposure, exceed $70,000,000, subject to the provisions of Section 2.1 A."

(b) The Commitment Schedule attached as Schedule 2.1 to the Credit Agreement is replaced by the Commitment Schedule attached as Schedule 2.1 to this Agreement.

(c) A final sentence is added to Section 2.1 of the Credit Agreement to read as follows:

"Subject to the terms and conditions and relying upon the representations and warranties set forth in this Agreement, the Issuing Bank agrees to issue Letters of Credit for the account of the Borrower in accordance with Section 2.4.A."

7. Section 2.1.A. is hereby added to the Credit Agreement, immediately following Section 2.1, to read as follows:

"SECTION 2.1.A. Increase in Aggregate Commitment.

(a) From time to time after July 25, 2005 (the "Effective Date"), the Borrower may, upon written notice to the Agent (who shall promptly provide a copy of such notice to each Bank), request an increase (the "Increase Request") in the aggregate Commitments of the Banks (and the sum of the aggregate amount of the Loans that may be outstanding and the total permitted LC Exposure) (the amount of any such increase, the "Additional Commitment Amount"). The Increase Request shall specify the amount of the Additional Commitment Amount and the date on which the Additional Commitment Amount is to become effective (the "Increase Date") (which shall be a Business Day at least 20 Business Days after the delivery of the Increase Request and not later than the second anniversary of the Effective Date).

(b) The increase in the aggregate Commitments of the Banks and the aggregate amount of the Loans that may be outstanding shall be conditioned upon satisfaction of the following conditions:

(i) after giving effect to such increase, the aggregate Commitments of the Banks (and the sum of the aggregate amount of the Loans that may be outstanding and the total permitted LC Exposure) shall not exceed $150,000,000;

(ii) no Default shall have occurred and be continuing on the relevant Increase Date or shall result from any Additional Commitment Amount;

(iii) the representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the relevant Increase Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

(iv) one or more existing or new Banks shall have agreed to acquire the Additional Commitment Amount.

(c) Upon the receipt of the Increase Request, the Agent shall direct SunTrust Robinson Humphrey Capital Markets (the “Arranger”) to solicit the acquisition of the Additional Commitment Amount by having an existing Bank increase its Commitment then in effect, or by adding as a Bank with a new Commitment hereunder a Person who is not then a Bank (a “New Bank”), with the approval of the Agent, which shall not be unreasonably withheld. Each existing Bank shall have the right for a period of 10 Business Days following its receipt of the Increase Request to elect by written notice to the Borrower and the Agent, to acquire all or any part of the Additional Commitment Amount, which notice shall specify the amount such existing Bank wishes to acquire (with each existing Bank giving such notice being referred to herein as an “Increasing Bank” and with such amount specified by such Increasing Bank being referred to herein and the “Proposed Increase Amount”). If the total of the Proposed Increase Amounts exceeds the Additional Commitment Amount requested by the Borrower, then the Additional Commitment Amount shall be allocated ratably among the Increasing Banks, with each Increasing Bank’s allocation being a fraction, the numerator of which shall be the Proposed Increase Amount of such

Increasing Bank and the denominator of which shall be the sum of all of the Proposed Increase Amounts. No existing Bank (or any successor thereto) shall have any obligation to increase its Commitment or its other obligations under this Agreement and the other Loan Documents, and any decision by an existing Bank to increase its Commitment shall be made in its sole discretion independently from any other Bank. New Banks will be solicited only if the Proposed Increase Amounts are less than the Additional Commitment Amount requested by the Borrower. The Borrower shall cooperate and actively assist the Agent and the Arranger in connection with any such solicitation and shall reimburse the Agent and the Arranger for any reasonable out-of-pocket fees or expenses incurred in connection with such solicitation.

(d) An increase in the aggregate Commitments of the Banks pursuant to this Section 2.1.A. shall become effective upon the receipt by the Agent of an agreement in form and substance satisfactory to the Agent signed by the Borrower, WRIT LP and each Subsidiary then a party to the Subsidiary Guaranty and each Increasing Bank and each New Bank, setting forth the new or increased Commitments of such Banks, together with a replacement or additional Note, as applicable, evidencing the new or increased Commitment of each affected Bank, duly executed and delivered by the Borrower and such evidence of appropriate corporate authorization on the part of the Borrower and WRIT LP and each Subsidiary then a party to the Subsidiary Guaranty with respect to the increase in the Commitments and such opinions of counsel for the Borrower and WRIT LP and each Subsidiary then a party to the Subsidiary Guaranty with respect to the increase in the aggregate Commitments of the Banks as the Agent may reasonably request.

(e) Upon the acceptance of any such agreement by the Agent, the aggregate Commitments of the Banks shall automatically be increased by the amount of the Commitments added through such agreement, and this Agreement shall automatically be deemed amended to reflect the Commitments of all Banks after giving effect to the addition of such Commitments.

(f) Upon any increase in the aggregate amount of the Commitments pursuant to this Section 2. LA. that is not pro rata among all Banks, within five Business Days, the Borrower shall prepay such Loans in their entirety and, to the extent the Borrower elects to do so and subject to the conditions specified in Section 2.1.A.(b), the Borrower shall reborrow Loans from the Banks in

proportion to their respective Commitments after giving effect to such increase, until such time as all outstanding Loans are held by the Banks in such proportion."

8. Section 2.3(b) of the Credit Agreement is amended to read as follows:

"(b) As of July 25, 2005, the "LIBOR Spread" is 0.55% and the "Prime Rate Spread" is 0.00%. The applicable LIBOR Spread and Prime Rate Spread shall be subject to change at any time as determined based upon the higher (i.e. more desirable) of the Borrower's Moody's debt rating, and the Borrower's S&P's debt rating, as the case may be. The applicable Spreads shall be adjusted effective on the next Business Day following any change in the Borrower's Moody's debt rating and/or S&P's debt rating, as the case may be. The applicable debt ratings and corresponding LIBOR Spreads and Prime Rate Spreads are as follows:

S&P Rating	Moody's Rating	LIBOR Spread	Prime Rate Spread
A- or higher	A3 or higher	0.55%	0.00%
BBB+	Baal	0.65%	0.00%
BBB	Baa2	0.80%	0.00%
BBB-	Baa3	1.00%	0.25%
Less than BBB- or no rating	Less than Baa3 or no rating	1.25%	0.50%

9. Section 2.3(c) of the Credit Agreement is amended to read as follows:

"(c) After maturity or upon the occurrence and during the continuance of an Event of Default hereunder, the Prime Rate Spread shall be 2.50% and the LIBOR Spread shall be 4.25%."

10. Section 2.4.A. is hereby added to the Credit Agreement, immediately following Section 2.4, to read as follows:

SECTION 2.4.A. Letters of Credit.

(a) Until the Termination Date, the Issuing Bank, in reliance upon the agreements of the other Banks pursuant to Section 2.4.A(d), agrees to issue, at the request of the Borrower, Letters of Credit for the account of the Borrower on the terms and conditions hereinafter set forth; provided, that (i) each Letter of Credit shall expire on the earlier of (A) the date one year after the date of issuance of such Letter of Credit (or in the case of any

renewal or extension thereof, one year after such renewal or extension) and (B) the date that is five (5) Business Days prior to the Termination Date (except pursuant to a clause whereby the Issuing Bank is entitled to terminate the Letter of Credit on an annual basis by giving prior written notice to the beneficiary thereof in accordance with the written terms of such Letter of Credit); (ii) each Letter of Credit shall be in a stated amount of at least $100,000; and (iii) the Borrower may not request any Letter of Credit, if, after giving effect to such issuance (A) the aggregate LC Exposure would exceed the LC Commitment, or (B) the aggregate LC Exposure, plus the aggregate outstanding Loans of all Banks would exceed the aggregate Commitments of the Banks then in effect. Upon the issuance of each Letter of Credit each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank without recourse a participation in such Letter of Credit equal to such Banks Commitment Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each issuance of a Letter of Credit shall be deemed to utilize the Commitment of each Bank by an amount equal to the amount of such participation.

(b) To request the issuance of a Letter of Credit (or any amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall give the Issuing Bank and the Agent irrevocable written notice at least three (3) Business Days prior to the requested date of such issuance specifying the date (which shall be a Business Day) such Letter of Credit is to be issued (or amended, extended or renewed, as the case may be), the expiration date of such Letter of Credit, the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. In addition to the satisfaction of the conditions precedent to the effectiveness of this Agreement, the issuance of such Letter of Credit (or any amendment which increases the amount of such Letter of Credit) will be subject to the further conditions that such Letter of Credit shall be in such form and contain such terms as the Issuing Bank shall approve (in its reasonable judgment) and that the Borrower shall have executed and delivered any Letter of Credit Agreement relating to such Letter of Credit as the Issuing Bank shall reasonably require; provided, that in the event of any conflict between such Letter of Credit Agreement and this Agreement, the terms of this Agreement shall control.

(c) At least two Business Days prior to the issuance of any Letter of Credit, the Issuing Bank will confirm with the Agent (by telephone or in writing) that the Agent has received such notice and if not, the Issuing Bank will provide the Agent with a copy thereof. Unless the Issuing Bank has received notice from the Agent on or before the Business Day immediately preceding the date the Issuing Bank is to issue the requested Letter of Credit (1) directing the Issuing Bank not to issue the Letter of Credit because such issuance is not then permitted hereunder because of the limitations set forth in Section 2.6(a) or (2) that one or more of the conditions precedent set forth in Article 3 of this Agreement are not then satisfied, then, subject to the terms and conditions hereof, the Issuing Bank shall, on the requested date, issue such Letter of Credit in accordance with the Issuing Bank's usual and customary business practices.

(d) The Issuing Bank shall examine all documents purporting to represent a demand for payment under a Letter of Credit promptly following its receipt thereof. The Issuing Bank shall notify the Borrower and the Agent of such demand for payment and whether the Issuing Bank has made or will make a LC Disbursement thereunder; provided, that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligations to reimburse the Issuing Bank and the Banks with respect to such LC Disbursement. The Borrower shall be irrevocably and unconditionally obligated to reimburse the Issuing Bank for any LC Disbursements paid by the Issuing Bank in respect of such drawing upon the Issuing Bank's written demand therefor, but otherwise without presentment, demand or other formalities of any kind. Unless the Borrower shall have notified the Issuing Bank and the Agent prior to 11:00 a.m. on the Business Day on which such written demand for reimbursement is made that the Borrower intends to reimburse the Issuing Bank for the amount of such drawing in funds other than from the proceeds of Loans, the Borrower shall be deemed to have timely given a request to the Agent requesting the Banks to make Base Rate Loans on the date on which such drawing is honored in an exact amount due to the Issuing Bank. The Agent shall notify the Banks of such borrowing of Base Rate Loans in accordance with Section 2.2(a), and each Bank shall make the proceeds of its Base Rate Loan included in such borrowing available to the Agent for the account of the Issuing Bank in accordance with Section 2.2(a). The proceeds of such borrowing shall be applied directly by the Agent to reimburse the Issuing Bank for such LC Disbursement.

(e) If for any reason a borrowing of Base Rate Loans may not be (as determined in the sole discretion of the Agent), or is not, made in accordance with the foregoing provisions, then each Bank (other than the Issuing Bank) shall be obligated to fund the participation that such Bank purchased pursuant to subsection (a) in an amount equal to its Commitment Percentage of such LC Disbursement on and as of the date which such borrowing of Base Rate Loans should have occurred. Each Bank's obligation to fund its participation shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (i) any setoff, counterclaim, recoupment, defense or other right that such Bank or any other Person may have against the Issuing Bank or any other Person for any reason whatsoever, (ii) the existence of an Event of Default, or an event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, or the termination of the aggregate Commitments of the Banks then in effect, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any of its Subsidiaries, (iv) any breach of this Agreement by the Borrower or any other Bank, (v) any amendment, renewal or extension of any Letter of Credit or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. On the date that such participation is required to be funded, each Bank shall promptly transfer, in immediately available funds, the amount of its participation to the Agent for the account of the Issuing Bank. Whenever, at any time after the Issuing Bank has received from any such Bank the funds for its participation in a LC Disbursement, the Issuing Bank (or the Agent on its behalf) receives any payment on account thereof, the Agent or the Issuing Bank, as the case may be, will distribute to such Bank its Commitment Percentage of such payment; provided, that if such payment is required to be returned for any reason to the Borrower or to a trustee, receiver, liquidator, custodian or similar official in any bankruptcy proceeding, such Bank will return to the Agent or the Issuing Bank any portion thereof previously distributed by the Agent or the Issuing Bank to it.

(f) To the extent that any Bank shall fail to pay any amount required to be paid pursuant to paragraph (d) of this Section 2.4.A. on the due date therefor, such Bank shall pay interest to the Issuing Bank (through the Agent) on such amount from such due date to the date such payment is made at a rate per annum equal to the Federal Funds Rate; provided, that if such Bank shall fail to make such payment to the Issuing Bank within

three (3) Business Days of such due date, then, retroactively to the due date, such Bank shall be obligated to pay interest on such amount at the Federal Funds Rate plus the Prime Rate Spread for default interest set forth in Section 2.3(c).

(g) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Agent or the Majority Banks demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Agent, in the name of the Agent and for the ratable benefit of the Banks, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided, that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, with demand or notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 6.1 (f). Such deposit shall be held by the Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement with respect to the LC Exposure. The Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Agent and at the Borrower’s risk and expense, such deposits shall not bear interest. Interest and profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Agent to reimburse the Issuing Bank for LC Disbursements for which it had not been reimbursed and to the extent so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, with the consent of the Majority Banks, be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not so applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

(h) Promptly following the end of each fiscal quarter, the Issuing Bank shall deliver (through the Agent) to each Bank and the Borrower a report describing the aggregate Letters of Credit outstanding at the end of such fiscal quarter. Upon the request of any Bank from time to time, the Issuing Bank shall

deliver to such Bank any other information reasonably requested by such Bank with respect to each Letter of Credit then outstanding.

(i) The Borrower's obligations to reimburse LC Disbursements hereunder shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever and irrespective of any of the following circumstances:

(1) Any lack of validity or enforceability of any Letter of Credit or this Agreement;

(2) The existence of any claim, set-off, defense or other right which the Borrower or any Subsidiary of the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons or entities for whom any such beneficiary or transferee may be acting), any Bank (including the Issuing Bank) or any other Person, whether in connection with this Agreement or the Letter of Credit or any document related hereto or thereto or any unrelated transaction;

(3) Any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;

(4) Payment in good faith by the Issuing Bank under a Letter of Credit against presentation of a draft or other document to the Issuing Bank that does not comply with the terms of such Letter of Credit, except for the Issuing Bank's gross negligence or willful misconduct in connection therewith;

(5) Any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder, except for the Issuing Bank's gross negligence or willful misconduct in connection therewith; or

(6) The existence of an Event of Default or an event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

(j) Neither the Agent, the Issuing Bank, the Banks nor any affiliate of any of the foregoing shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to above), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided, that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts or other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree, that in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(k) Each Letter of Credit shall be subject to the Uniform Customs and Practices for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time, and, to the extent not inconsistent therewith, the governing law of this Agreement set forth in Section 8.14.

(1) Each Existing Letter of Credit shall be deemed to be a Letter of Credit issued by SunTrust Bank as the Issuing Bank on the Effective Date.

11. Each reference in Section 2.5 of the Credit Agreement to "Bank" shall be deemed to include a reference to the Issuing Bank.

12. Section 2.6(a) of the Credit Agreement is amended to read as follows:

"(a) The Borrower agrees to pay to the Agent, for the accounts of the Banks, a fee on the amount of the aggregate Commitments, whether used or unused, from the effective date hereof until the Termination Date, as extended from time to time, at the rate per annum set forth in the schedule below (the "Commitment Fee Rate"), payable quarterly in arrears on the first Business Day of each March, June, September and December, during the term of the Commitments of the Banks, beginning on September 1, 2005, and on the Termination Date, as extended from time to time. The Agent shall submit a quarterly statement for such fee to the Borrower.

S&P Rating	Moody's Rating	Commitment Fee Rate
A- or higher	A3 or higher	0.15%
BBB+	Baal	0.15%
BBB	Baa2	0.175%
BBB-	Baa3	0.20%
Less than BBB- or no rating	Less than Baa3 or no rating	0.25%

The Commitment Fee Rate shall be determined in the same manner as the determination of the LIBOR Spread pursuant to Section 2.3(b) hereof (e.g., if the Borrower's Moody's debt rating is Baal and its S&P debt rating is A, the Commitment Fee Rate shall be based on the S&P debt rating), with adjustments becoming effective on the next Business Day following any change in the applicable debt rating. As of the date hereof, the Commitment Fee Rate is 0.15%."

13. Section 2.6(c) is hereby added to the Credit Agreement, immediately following Section 2.6(b), to read as follows:

"(c) The Borrower agrees to pay (i) to the Agent, for the account of each Bank funding its required participation in each Letter of Credit, a letter of credit fee with respect to such participation in each Letter of Credit, which shall accrue at the LIBOR Spread then applicable, on the average daily amount of such Bank's LC Exposure (excluding any portion thereof

attributable to unreimbursed LC Disbursements) attributable to such Letter of Credit during the period from and including the date of issuance of such Letter of Credit to but excluding the date on which such Letter of Credit expires, is irrevocably cancelled by the beneficiary thereof or is drawn in full (including without limitation any LC Exposure that remains outstanding after the Termination Date, exclusive of any portion thereof attributable to unreimbursed LC Disbursements) and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to such Letter of Credit during the period from and including the date of issuance of such Letter of Credit to but excluding the date on which such Letter of Credit expires, is irrevocably cancelled by the beneficiary thereof or is drawn in full (including without limitation any LC Exposure that remains outstanding after the Termination Date, exclusive of any portion thereof attributable to unreimbursed LC Disbursements), as well as the Issuing Bank's standard fees with respect to issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Accrued letter of credit and fronting fees shall be payable monthly in arrears, commencing on July 30, 2005, and on the Termination Date (and if later, the date the LC Exposure shall be repaid in its entirety). The Borrower shall pay fees on the Existing Letters of Credit in accordance with the foregoing terms from the Effective Date, and within two Business Days after the Effective Date, SunTrust Bank, as the Issuing Bank, will refund to the Borrower the unearned portion of any prepaid fees paid to it with respect to the Existing Letters of Credit, determined on the basis of the number of days remaining in the periods for which such fees were prepaid."

14. The reference in Section 2.8(c) to "non-usage fees" shall be deemed to be a reference to "commitment fees."

15. The conditions contained in Section 3.2 of the Credit Agreement shall be deemed conditions precedent to the issuance by the Issuing Bank of any Letter of Credit.

16. Section 5.1 of the Credit Agreement is amended such that the affirmative covenants therein contained apply for so long as there remain unreimbursed LC Disbursements, in addition to the other conditions expressed in such Section 5.1.

17. The third sentence of Section 5.1(c) of the Credit Agreement is amended to read in its entirety as follows:

> "Within 10 days after the Borrower forms or acquires any Subsidiary, which Subsidiary, at the time of formation or acquisition or at any time thereafter, owns no Properties which are not Unencumbered Assets (provided, however, that WRIT Prosperity Holdings, L.L.C., shall be required to execute the Subsidiary Guaranty notwithstanding its ownership of certain Properties which are not Unencumbered Assets), the Borrower shall cause such Subsidiary to execute and deliver to the Banks a valid and enforceable guaranty agreement (as "Subsidiary Guaranty") together with such other documents as the Banks shall reasonably request."

18. Section 5.2 of the Credit Agreement is amended such that the negative covenants therein contained apply for so long as there remain unreimbursed LC Disbursements, in addition to the other conditions expressed in such Section 5.2.

19. Section 5.2(b) of the Credit Agreement is amended as follows:

(a) The reference in Section 5.2(b)(2) of the Credit Agreement to "450,000,000" is amended to be "$575,000,000, plus 80% of the Net Proceeds from any Equity Issuances subsequent to March 31, 2005."

(b) The reference in Section 5.2(b)(3) of the Credit Agreement to "fifty percent (50%)" is amended to be fifty-five percent (55%)."

(c) Section 5.2(b)(5) of the Credit Agreement is amended to read as follows:

> "(5) the Value of Unencumbered Assets to be less than 1.82 times the Consolidated Senior Unsecured Indebtedness; or"

20. Section 5.2(d) of the Credit Agreement is amended as follows:

(a) The reference in Section 5.2(d)(2) of the Credit Agreement to "50,000,000" is amended to be "$100,000,000."

(b) The reference in Section 5.2(d)(3) of the Credit Agreement to "ten percent (10%)" is amended to be "fifteen percent (15%)."

(c) The following provisions are added to Section 5.2(d) as clauses (4) and (5), respectively, and as a final paragraph to such Section 5.2(d):

> "(4) any investments in undeveloped land to the extent such investments in the aggregate would exceed fifteen percent (15%) of their Total Tangible Assets on a consolidated basis.

(5) without duplication of the immediately preceding clause (4), any investments in projects which are treated as assets under development under GAAP to the extent such investments in the aggregate would exceed fifteen percent (15%) of their Total Tangible Assets on a consolidated basis.

In addition to the foregoing limitations, all investments, loans and advances described in the foregoing clauses (3) through (5), without duplication, shall not, in the aggregate, exceed thirty percent (30%) of the Total Tangible Assets of the Borrower and its Subsidiaries on a consolidated basis."

21. Section 6.2(a) of the Credit Agreement is amended such that Agent may declare, upon such conditions as are expressed in Sections 6.2 and 6.2(b), the Issuing Bank's obligation to issue Letters of Credit to be terminated.

22. Section 6.2(b) of the Credit Agreement is amended such that all unreimbursed LC Disbursements, upon such conditions as are expressed in Sections 6.2 and 6.2(b), would be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Borrower, and to add the following as a final sentence to such Section 6.2(b):

"The Agent also shall, upon the written request of the Majority Banks, require the Borrower to pay (for the benefit of the Issuing Bank), and the Borrower agrees to pay, to the Agent (for the benefit of the Issuing Bank) an amount of cash equal to the aggregate amount of the Letters of Credit then outstanding, and any amounts paid by the Borrower shall be held by the Agent in a cash collateral account, over which the Agent shall have the exclusive power of withdrawal, for the benefit of the Issuing Bank, as security for the unreimbursed LC Disbursements and the other obligations arising out of the Letters of Credit and the Letter of Credit Agreements."

23. Section 7.1 of the Credit Agreement is amended to add the following as a final sentence:

"The Issuing Bank shall act on behalf of the Banks with respect to any Letters of Credit issued by it and the documents associated therewith until such time and except for so long as the Agent may agree at the request of the Majority Banks to act for the Issuing Bank with respect thereto; provided, that the Issuing Bank shall have all the benefits and immunities (i) provided to the Agent in this Article 7 with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and the application and agreements

for letters of credit pertaining to the Letters of Credit as fully as the term "Agent" as used in this Article 7 included the Issuing Bank with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the Issuing Bank."

24. Section 8.5 of the Credit Agreement is amended to include references to the Issuing Bank as an indemnitee with respect to the indemnified liabilities therein described, as well as any liabilities or costs of the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder.

25. Sections 8.12 and 8.13 of the Credit Agreement are amended so as to permit sales of participations in, and assignments of, the Banks' LC Exposure, to the same extent, but subject to the same limitations, as are expressed in such Sections with respect to the Banks' Loans and Commitments.

26. All references to the "Internal Revenue Code" contained in the Credit Agreement shall be deemed to be a reference to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and all references to particular sections of such Internal Revenue Code shall be deemed to be references to such sections or their successor sections.

27. The Subsidiaries that will become Guarantors as of the date hereof shall satisfy the conditions set forth in Section 5.1(c) of the Credit Agreement within 5 Business Days after the date of this Amendment.

28. Notices in connection with the Credit Agreement and the other Loan Documents shall be sent, in the case of the Agent, to the attention of Gregory T. Horstman, at SunTrust Bank, 8330 American Center West, 8th Floor, Vienna, Virginia 22182-2624, Facsimile: (703) 442-1570.

29. Not later than July 25, 2005, the Borrower shall pay to the Agent for the account of SunTrust Bank a non-refundable increase and extension fee of $315,000.

30. All of the obligations of the parties to the Credit Agreement, as amended hereby, and the other Loan Documents, are hereby ratified and confirmed. All references in the Loan Documents to the "Credit Agreement" shall henceforth be deemed to refer to the Credit Agreement as amended by this letter agreement.

31. This letter agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement, and any of the parties hereto may execute this letter agreement by signing any such counterpart; and

32. All other terms and conditions of the Loan Documents remain unchanged and in full force and effect.

[Signatures on following page]

Sincerely yours,

SunTrust Bank, as Agent

By: /s/ Gregory T. Horstman
Gregory T. Horstman
Senior Vice President

Seen and Agreed:

BORROWER:

WASHINGTON REAL ESTATE INVESTMENT TRUST,
a Maryland real estate investment trust

By: /s/ Sara L. Grootwassink
Sara L. Grootwassink
Chief Financial Officer

WRIT LIMITED PARTNERSHIP, a Delaware limited partnership

By: Washington Real Estate Investment Trust, as general partner

By: /s/ Sara L. Grootwassink
Sara L. Grootwassink
Chief Financial Officer

BANK:

SUNTRUST BANK

By: /s/ Gregory T. Horstman
Gregory T. Horstman
Senior Vice President

COUNTERPART FOR GUARANTOR

THIS COUNTERPART (this "Counterpart"), dated as of July 25, 2005, is delivered pursuant to Section 5.1(c) of the Amended and Restated Credit Agreement dated as of August 26, 1999, but effective for all purposes as of July 25, 1999, between Washington Real Estate Investment Trust, a Maryland real estate investment trust (the "Borrower"), SunTrust Bank, as successor by merger to Crestar Bank, as Agent (the "Agent"), SunTrust Bank, a Georgia banking corporation, as a Bank, and the other Banks that are parties thereto, as amended by a letter agreement between such parties dated as of July 25, 2002, as amended by a letter agreement between such parties dated as of March 14, 2005, as amended by a letter agreement between such parties dated as of July 25, 2005 (as further amended, modified or supplemented from time to time, the "Credit Agreement;" capitalized terms used therein and not herein defined to have the meanings ascribed to such terms in the Credit Agreement), pursuant to which Borrower agreed, if it should form or acquire any Subsidiary, which Subsidiary, at the time of formation or acquisition or at any time thereafter, owns no Properties which are not Unencumbered Assets, that such Subsidiary shall become a party to, and a Guarantor (as defined in the Subsidiary Guaranty (as hereinafter defined)) under, the Subsidiary Guaranty referred to below, and shall satisfy the conditions set forth in Section 5.1(c) of the Credit Agreement upon the acquisition or formation of such Subsidiary.

The undersigned hereby agrees that this Counterpart may be attached to the Amended and Restated Guaranty Agreement, dated as of July 25, 1999 (as amended, restated, modified or supplemented, the "Subsidiary Guaranty"), made by the Guarantors named therein in favor of the Agent, for the benefit of the Banks, and any amendments, modifications or supplements thereof, or counterparts thereto. The undersigned, by executing and delivering this Counterpart, hereby becomes a Guarantor under the Subsidiary Guaranty and agrees to be bound by all of the terms thereof, to be jointly and severally liable for the obligations of the Guarantors thereunder and to satisfy the conditions set forth in Section 5.1(c) of the Credit Agreement within 5 Business Days after the date hereof.

The undersigned has caused this Counterpart to be executed and delivered by its duly authorized representative as of the day and year first above stated.

WRIT PROSPERITY HOLDINGS, LLC, a Delaware limited liability company

By: /s/ Edmund B. Cronin, Jr.
Print Name: Edmund B. Cronin, Jr.
Title: CEO, Washington Real Estate Investment Trust

Witness:

/s/ Sara L. Grootwassink
Print Name: Sara L. Grootwassink, CFO

PROMISSORY NOTE

$70,000,000.00 July 25, 2005

FOR VALUE RECEIVED, the undersigned, WASHINGTON REAL ESTATE INVESTMENT TRUST, a Maryland real estate investment trust (the "Borrower"), HEREBY PROMISES TO PAY to the order of SUNTRUST BANK, a Georgia banking corporation (the "Bank") the principal amount of SEVENTY MILLION AND NO/100 DOLLARS ($70,000,000.00) or, if less, the outstanding aggregate principal amount of all Loans made by the Bank to the Borrower pursuant to the Credit Agreement (as hereinafter defined), on the Termination Date (as defined in the Credit Agreement).

The Borrower promises to pay interest on the principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement referred to below.

Both principal and interest are payable in lawful money of the United States of America to SunTrust Bank, as successor by merger to Crestar Bank, as Agent (the "Agent"), at 8330 Boone Boulevard, 8th Floor, Vienna, Virginia 22182 in same day funds.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Amended and Restated Credit Agreement dated as of August 26, 1999, but effective for all purposes as of July 25, 1999, between the Borrower, the Agent, the Bank and the other banks that are parties thereto, as amended by a letter agreement between such parties dated as of July 25, 2002, as amended by a letter agreement between such parties dated as of March 14, 2005, as amended by a letter agreement between such parties of even date herewith (as further amended, modified or supplemented from time to time, the "Credit Agreement"). The Credit Agreement, among other things, (i) provides for the making of loans (the "Loans") by the Bank to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Loan being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

WASHINGTON REAL ESTATE INVESTMENT TRUST

By: /s/ Sara L. Grootwassink

Sara L. Grootwassink
Chief Financial Officer

COUNTERPART FOR GUARANTOR

THIS COUNTERPART (this "Counterpart"), dated as of July 25, 2005, is delivered pursuant to Section 5.1(c) of the Amended and Restated Credit Agreement dated as of August 26, 1999, but effective for all purposes as of July 25, 1999, between Washington Real Estate Investment Trust, a Maryland real estate investment trust (the "Borrower"), SunTrust Bank, as successor by merger to Crestar Bank, as Agent (the "Agent"), SunTrust Bank, a Georgia banking corporation, as a Bank, and the other Banks that are parties thereto, as amended by a letter agreement between such parties dated as of July 25, 2002, as amended by a letter agreement between such parties dated as of March 14, 2005, as amended by a letter agreement between such parties dated as of July 25, 2005 (as further amended, modified or supplemented from time to time, the "Credit Agreement;" capitalized terms used therein and not herein defined to have the meanings ascribed to such terms in the Credit Agreement), pursuant to which Borrower agreed, if it should form or acquire any Subsidiary, which Subsidiary, at the time of formation or acquisition or at any time thereafter, owns no Properties which are not Unencumbered Assets, that such Subsidiary shall become a party to, and a Guarantor (as defined in the Subsidiary Guaranty (as hereinafter defined)) under, the Subsidiary Guaranty referred to below, and shall satisfy the conditions set forth in Section 5.1(c) of the Credit Agreement upon the acquisition or formation of such Subsidiary.

The undersigned hereby agrees that this Counterpart may be attached to the Amended and Restated Guaranty Agreement, dated as of July 25, 1999 (as amended, restated, modified or supplemented, the "Subsidiary Guaranty"), made by the Guarantors named therein in favor of the Agent, for the benefit of the Banks, and any amendments, modifications or supplements thereof, or counterparts thereto. The undersigned, by executing and delivering this Counterpart, hereby becomes a Guarantor under the Subsidiary Guaranty and agrees to be bound by all of the terms thereof, to be jointly and severally liable for the obligations of the Guarantors thereunder and to satisfy the conditions set forth in Section 5.1(c) of the Credit Agreement within 5 Business Days after the date hereof.

The undersigned has caused this Counterpart to be executed and delivered by its duly authorized representative as of the day and year first above stated.

WRIT-NVIP, L.L.C., a Virginia limited liability company

By: /s/ Edmund B. Cronin, Jr.
Print Name: Edmund B. Cronin, Jr.
Title: CEO, Washington Real Estate Investment Trust

Witness:

/s/ Sara L. Grootwassink
Print Name: Sara L. Grootwassink, CFO

COUNTERPART FOR GUARANTOR

THIS COUNTERPART (this "Counterpart"), dated as of July 25, 2005, is delivered pursuant to Section 5.1(c) of the Amended and Restated Credit Agreement dated as of August 26, 1999, but effective for all purposes as of July 25, 1999, between Washington Real Estate Investment Trust, a Maryland real estate investment trust (the "Borrower"), SunTrust Bank, as successor by merger to Crestar Bank, as Agent (the "Agent"), SunTrust Bank, a Georgia banking corporation, as a Bank, and the other Banks that are parties thereto, as amended by a letter agreement between such parties dated as of July 25, 2002, as amended by a letter agreement between such parties dated as of March 14, 2005, as amended by a letter agreement between such parties dated as of July 25, 2005 (as further amended, modified or supplemented from time to time, the "Credit Agreement;" capitalized terms used therein and not herein defined to have the meanings ascribed to such terms in the Credit Agreement), pursuant to which Borrower agreed, if it should form or acquire any Subsidiary, which Subsidiary, at the time of formation or acquisition or at any time thereafter, owns no Properties which are not Unencumbered Assets, that such Subsidiary shall become a party to, and a Guarantor (as defined in the Subsidiary Guaranty (as hereinafter defined)) under, the Subsidiary Guaranty referred to below, and shall satisfy the conditions set forth in Section 5.1(c) of the Credit Agreement upon the acquisition or formation of such Subsidiary.

The undersigned hereby agrees that this Counterpart may be attached to the Amended and Restated Guaranty Agreement, dated as of July 25, 1999 (as amended, restated, modified or supplemented, the "Subsidiary Guaranty"), made by the Guarantors named therein in favor of the Agent, for the benefit of the Banks, and any amendments, modifications or supplements thereof, or counterparts thereto. The undersigned, by executing and delivering this Counterpart, hereby becomes a Guarantor under the Subsidiary Guaranty and agrees to be bound by all of the terms thereof, to be jointly and severally liable for the obligations of the Guarantors thereunder and to satisfy the conditions set forth in Section 5.1(c) of the Credit Agreement within 5 Business Days after the date hereof.

The undersigned has caused this Counterpart to be executed and delivered by its duly authorized representative as of the day and year first above stated.

CASCADE/MARYLAND PROPERTIES LLC,
a Washington limited liability company

By: /s/ Edmund B. Cronin, Jr.
Print Name: Edmund B. Cronin, Jr.
Title: CEO, Washington Real Estate Investment Trust

Witness:

/s/ Sara L. Grootwassink
Print Name: Sara L. Grootwassink

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	2Q 2005	2Q 2004	YTD 2005	YTD 2004
Income from continuing operations	$ 8,992	$10,143	$18,903	$20,603
Additions:				
Fixed charges				
Interest expense	9,283	8,614	17,870	17,189
Capitalized interest	234	254	441	332
	9,517	8,868	18,311	17,521
Deductions:				
Capitalized interest	(234)	(254)	(441)	(332)
Adjusted earnings	$18,275	$18,757	$36,773	$37,792
Fixed Charges (from above)	$ 9,517	$ 8,868	$18,311	$17,521
Ratio of Earnings to Fixed Charges	1.92x	2.12x	2.01x	2.16x

Exhibit 31a

CERTIFICATION

I, Edmund B. Cronin, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: August 5, 2005

/s/ Edmund B. Cronin, Jr.
Edmund B. Cronin, Jr.
Chief Executive Officer

Exhibit 31b

CERTIFICATION

I, Laura M. Franklin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: August 5, 2005

/s/ Laura M. Franklin
Laura M. Franklin
Senior Vice President
Accounting, Administration and Corporate Secretary

CERTIFICATION

I, Sara L. Grootwassink, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: August 5, 2005

/s/ Sara L. Grootwassink
Sara L. Grootwassink
Chief Financial Officer

Exhibit 32

WRITTEN STATEMENT OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chairman of the Board, President and Chief Executive Officer, the Senior Vice President Accounting, Administration and Corporate Secretary, and the Chief Financial Officer of Washington Real Estate Investment Trust ("WRIT"), each hereby certifies on the date hereof, that:

(a) the Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of WRIT.

Dated: August 5 , 2005

/s/ Edmund B. Cronin, Jr.
Edmund B. Cronin, Jr.
Chairman of the Board, President & CEO

Dated: August 5, 2005

/s/ Laura M. Franklin
Laura M. Franklin
Senior Vice President
Accounting, Administration and Corporate Secretary

Dated: August 5, 2005

/s/ Sara L. Grootwassink
Sara L. Grootwassink
Chief Financial Officer