
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) February 16, 2006

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-6622
(Commission File Number)

53-0261100
(IRS Employer
Identification Number)

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

20852
(Zip Code)

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

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

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

Item 2.02 Results of Operations and Financial Condition

and

Item 7.01 Regulation FD Disclosure

A press release issued by the Registrant on February 16, 2006, regarding earnings for the three and twelve months ended December 31, 2005, is attached as Exhibit 99.1. Also, certain supplemental information not included in the press release is attached as Exhibit 99.2. This information is being furnished pursuant to Item 7.01 and Item 2.02 of Form 8-K. This information is not deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any Securities Act registration statements.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit 99.1 Press release issued February 16, 2006 regarding earnings for the three and twelve months ended December 31, 2005

Exhibit 99.2 Certain supplemental information not included in the press release

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Registrant)

By: /s/ Laura M. Franklin

(Signature)

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

February 16, 2006

(Date)

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release issued February 16, 2006 regarding earnings for the three and twelve months ended December 31, 2005
99.2	Certain supplemental information not included in the press release

NEWS RELEASE

WRIT Washington Real Estate Investment Trust

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Newspaper Quote: WRIT

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FOR IMMEDIATE RELEASE**February 16, 2006**

WASHINGTON REAL ESTATE INVESTMENT TRUST ANNOUNCES RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2005

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

	For the three months Ended December 31,		For the twelve months Ended December 31,	
	2005	2004	2005	2004
Net Income Per Share – Diluted	\$ 0.26	\$ 0.30	\$ 1.84	\$ 1.09
Funds from Operations (“FFO”) Per Share – Diluted	\$ 0.54	\$ 0.52	\$ 2.07	\$ 2.05

- Fourth quarter 2005 Net Income per fully diluted share was \$0.26, a \$0.04 per share decrease from the fourth quarter of 2004, due primarily to the \$1.0 million gain on the sale of 8230 Boone Boulevard in the fourth quarter of 2004. Net income per fully diluted share was \$1.84 compared to \$1.09 for the twelve months ended December 31, 2005 and 2004, respectively. This increase was primarily due to the \$35.1 million gain on the sale of four properties in 2005 and recognition of the \$1.9 million previously deferred gain from the Boone Boulevard sale in 2004.
- Funds from Operations (“FFO”) per fully diluted share, a non-GAAP financial measure, for the fourth quarter 2005 was \$0.54, a \$0.02 and 3.8% increase from the fourth quarter of 2004. FFO per fully diluted share for the twelve months ended December 31, 2005 was \$2.07, compared to \$2.05 per fully diluted share for the twelve months ended December 31, 2004.

A reconciliation of net income to FFO is provided on the attached income statement.

“As we head into the New Year, I believe WRIT will achieve continued solid quarter to quarter performance,” said Edmund B. Cronin, Jr., Chairman, President and CEO.

Company Information

WRIT is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington/Baltimore metropolitan region. WRIT owns a diversified portfolio of 70 properties consisting of 12 retail centers, 21 office properties, 7 medical office properties, 21 industrial properties and 9 multifamily properties. We also own land for development.

WRIT’s dividends have increased every year for 35 consecutive years. WRIT’s FFO per share has increased every year for 33 consecutive years. WRIT shares are publicly traded on the New York Stock Exchange (symbol: WRE).

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

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

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
OPERATING RESULTS				
Revenue				
Real estate rental revenue	\$ 49,258	\$43,724	\$ 190,046	\$ 171,646
Expenses				
Real estate expenses	15,041	12,968	58,116	51,328
Depreciation and amortization	11,694	10,283	47,161	39,309
General and administrative	1,644	1,622	8,005	6,194
	<u>28,379</u>	<u>24,873</u>	<u>113,282</u>	<u>96,831</u>
Other (expense) income:				
Interest expense	(10,074)	(8,551)	(37,743)	(34,500)
Other income	263	88	918	326
Other income from property settlement	—	—	504	—
Total other expense	<u>(9,811)</u>	<u>(8,463)</u>	<u>(36,321)</u>	<u>(34,174)</u>
Income from continuing operations	11,068	10,388	40,443	40,641
Discontinued operations:				
Income from operations of properties sold or held for sale	—	966	184	3,894
Gain on property disposed	—	1,029	37,011	1,029
Net Income	<u>\$ 11,068</u>	<u>\$12,383</u>	<u>\$ 77,638</u>	<u>\$ 45,564</u>
Income from continuing operations	\$ 11,068	\$10,388	\$ 40,443	\$ 40,641
Other income from property settlement	—	—	(504)	—
Continuing operations real estate depreciation and amortization	11,694	10,283	47,161	39,309
Funds from continuing operations	<u>\$ 22,762</u>	<u>\$20,671</u>	<u>\$ 87,100</u>	<u>\$ 79,950</u>
Income from discontinued operations before gain on disposal	—	966	\$ 184	\$ 3,894
Discontinued operations real estate depreciation and amortization	—	302	71	1,784
Funds from discontinued operations	<u>—</u>	<u>1,268</u>	<u>\$ 255</u>	<u>\$ 5,678</u>
Funds from operations⁽¹⁾	<u>\$ 22,762</u>	<u>\$21,939</u>	<u>\$ 87,355</u>	<u>\$ 85,628</u>
Tenant improvements ⁽³⁾	(3,520)	(3,057)	(8,932)	(9,432)
External and internal leasing commissions capitalized	(1,004)	(923)	(4,272)	(2,713)
Recurring capital improvements	(2,445)	(3,009)	(9,125)	(9,068)
Straight-line rents, net	(730)	(610)	(3,070)	(2,129)
Non real estate depreciation & amortization	479	400	1,745	1,698
Amortization of lease intangibles, net	(17)	51	(17)	(12)
Amortization of restricted share compensation	299	—	1,134	—
Other	7	—	308	—
Funds Available for Distribution ⁽²⁾	<u>\$ 15,831</u>	<u>\$14,791</u>	<u>\$ 65,126</u>	<u>\$ 63,972</u>

Washington Real Estate Investment Trust
FOR IMMEDIATE RELEASE

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Per Share Data

Income from continuing operations				
(Basic)	\$ 0.26	\$ 0.25	\$ 0.96	\$ 0.98
(Diluted)	\$ 0.26	\$ 0.25	\$ 0.96	\$ 0.97
Net income				
(Basic)	\$ 0.26	\$ 0.30	\$ 1.85	\$ 1.09
(Diluted)	\$ 0.26	\$ 0.30	\$ 1.84	\$ 1.09
Funds from continuing operations				
(Basic)	\$ 0.54	\$ 0.50	\$ 2.07	\$ 1.92
(Diluted)	\$ 0.54	\$ 0.49	\$ 2.06	\$ 1.91
Funds from operations				
(Basic)	\$ 0.54	\$ 0.53	\$ 2.08	\$ 2.06
(Diluted)	\$ 0.54	\$ 0.52	\$ 2.07	\$ 2.05
Dividends paid	\$ 0.4025	\$ 0.3925	\$ 1.6000	\$ 1.5500
Weighted average shares outstanding	42,013	41,711	42,069	41,642
Fully diluted weighted average shares outstanding	42,131	41,911	42,203	41,863

- (1) Funds From Operations ("FFO") – The National Association of Real Estate Investment Trusts, Inc. ("NAREIT") defines FFO (April, 2002 White Paper) as net income (computed in accordance with generally accepted accounting principles ("GAAP")) excluding gains (or losses) from sales of property plus real estate depreciation and amortization. We consider FFO to be a standard supplemental measure for equity real estate investment trusts ("REITs") because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs.
- (2) Funds Available for Distribution ("FAD") is calculated by subtracting from FFO (1) recurring expenditures, tenant improvements and leasing costs that are capitalized and amortized and are necessary to maintain our properties and revenue stream and (2) straight line rents, then adding (3) non-real estate depreciation and amortization and (4) non-cash rent abatement amortization, and adding or subtracting amortization of lease intangibles, as appropriate. FAD is included herein, because we consider it to be a measure of a REIT's ability to incur and service debt and to distribute dividends to its shareholders. FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.
- (3) Tenant improvements for the twelve months ended December 31, 2004 include payments to one tenant of \$1.1 million.

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

	December 31, 2005	December 31, 2004
Assets		
Land	\$ 226,217	\$ 204,831
Income producing property	1,024,702	895,553
Accumulated depreciation and amortization	(240,153)	(200,375)
Net income producing property	1,010,766	900,009
Development in progress	58,241	12,280
Total investment in real estate, net	1,069,007	912,289
Investment in real estate held for sale, net	—	36,986
Cash and cash equivalents	4,938	5,065
Restricted cash	1,764	962
Rents and other receivables, net of allowance for doubtful accounts of 2,916 and 2,636, respectively	25,258	21,402
Prepaid expenses and other assets	40,318	34,969
Other assets related to properties held for sale	—	720
Total Assets	\$ 1,141,285	\$ 1,012,393
Liabilities		
Accounts payable and other liabilities	\$ 32,728	\$ 22,586
Advance rents	5,572	5,108
Tenant security deposits	7,393	5,784
Other liabilities related to properties held for sale	—	848
Mortgage notes payable	169,617	173,429
Lines of credit	24,000	117,000
Notes payable	520,000	320,000
Total Liabilities	759,310	644,755
Minority interest	1,670	1,629
Shareholders' Equity		
Shares of beneficial interest, \$.01 par value; 100,000 shares authorized: 42,139 and 42,000 shares issued and outstanding, respectively	421	420
Additional paid-in capital	407,972	405,029
Distributions in excess of net income	(25,228)	(35,544)
Less: Deferred compensation on restricted shares	(2,860)	(3,896)
Total Shareholders' Equity	380,305	366,009
Total Liabilities and Shareholders' Equity	\$ 1,141,285	\$ 1,012,393

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

Occupancy Levels by Core Portfolio⁽¹⁾ and All Properties

Sector	Core Portfolio		All Properties	
	4th QTR 2005	4th QTR 2004	4th QTR 2005	4th QTR 2004
Multifamily	92.0%	91.6%	92.0%	91.6%
Office Buildings	89.2%	88.0%	89.0%	86.6%
Medical Office	99.6%	98.6%	98.5%	98.1%
Retail Centers	98.3%	95.8%	98.6%	95.8%
Industrial/Flex Centers	93.0%	94.2%	94.9%	94.3%
Overall Portfolio	92.4%	91.5%	92.8%	90.6%

⁽¹⁾ Core portfolio properties include all properties that were owned for the entirety of the current and prior year reporting periods. For Q4 2005 and Q4 2004, core portfolio properties exclude 8301 Arlington Boulevard, Dulles Business Park, 8230 Boone Boulevard, Tycon Plaza II, Tycon Plaza III, 7700 Leesburg Pike, Frederick Crossing, DBP Coleman Building, Albemarle Point, and Pepsi Distribution Center.

Acquisition Summary

	Acquisition Date	Square Feet	Leased Percentage at Acquisition	December 31, 2005 Leased Percentage	Investment (in thousands)
Frederick Crossing Shopping Center Frederick, MD	03/23/05	294,724	100%	100%	\$ 44,800
Coleman Building Chantilly, VA	04/08/05	59,767	64%	100%	\$ 8,800
Albemarle Point Chantilly, VA	07/29/05	296,105	97%	97%	\$ 66,800
Dulles Station* Herndon, VA	12/02/05	N/A	N/A	N/A	\$ 24,700
Total					\$ 145,100

* Land held for development

Disposition Summary

	Disposition Date	Property Type	Square Feet	Sale Price (in thousands)	GAAP Gain (in thousands)
8230 Boone Blvd	11/15/04	Office	58,000	\$ 10,000	\$ 1,883 *
7700 Leesburg Pike	02/01/05	Office	147,000	\$ 20,150	\$ 8,527
Tycon Plaza II	02/01/05	Office	127,000	\$ 19,400	\$ 8,867
Tycon Plaza III	02/01/05	Office	137,000	\$ 27,950	\$ 14,696
Pepsi-Cola Distribution Center	09/08/05	Industrial	69,000	\$ 6,000	\$ 3,038
Total			538,000	\$ 83,500	\$ 37,011

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

Subsequent Event

On February 14, 2006, WRIT acquired Hampton Overlook and Hampton South, five warehouse buildings totaling 303,070 SF, for \$23.1 million. The properties are located in Prince George's County and are 74% leased.

Conference Call Information

WRIT will conduct a Conference/Webcast Call to discuss 4th Quarter on Friday, February 17, 2006 at 11:00 AM, Eastern Time. Conference call access information is as follows:

USA Toll Free Number:	1-888-271-8857
International Toll Number:	1-706-679-7697
Leader:	Sara Grootwassink
Conference ID:	4032660

The instant replay of the Conference Call will be available until March 3, 2006 at 11:59 PM Eastern Time. Instant Replay access information is as follows:

USA Toll Free Number:	1-800-642-1687
International Toll Number:	1-706-645-9291
Conference ID:	4032660

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

WRIT Washington Real Estate Investment Trust

Supplemental Information
December 31, 2005

Contact:
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Chief Financial Officer
Direct Dial: (301) 255-0820
E-mail: sgrootwassink@writ.com

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Washington Real Estate Investment Trust
Supplemental Information
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December 31, 2005

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Washington Real Estate Investment Trust
About the Trust

Mission Statement

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

Company Background

We are a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington-Baltimore region. We own a diversified portfolio of 70 properties consisting of 12 retail centers, 21 office properties, 7 medical office properties, 21 industrial/flex properties and 9 multifamily properties. We also own land for development.

Our dividends have increased every year for 35 consecutive years and our Funds From Operations (“FFO”) per share has increased every year for 33 consecutive years. WRIT shares are publicly traded on the New York Stock Exchange (symbol: WRE).

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

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

OPERATING RESULTS	Twelve Months Ended		Three Months Ended				
	12/31/05	12/31/04	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
Real estate rental revenue	\$ 190,046	\$ 171,646	\$ 49,258	\$ 48,939	\$ 46,567	\$ 45,282	\$ 43,724
Real estate expenses	(58,116)	(51,328)	(15,041)	(14,929)	(13,957)	(14,189)	(12,968)
	131,930	120,318	34,217	34,010	32,610	31,093	30,756
Real estate depreciation and amortization	(47,161)	(39,309)	(11,694)	(11,988)	(12,942)	(10,537)	(10,283)
Income from real estate	84,769	81,009	22,523	22,022	19,668	20,556	20,473
Other income	918	326	263	335	207	113	88
Other income from property settlement	504	—	—	—	504	—	—
Interest expense	(37,743)	(34,500)	(10,074)	(9,798)	(9,283)	(8,588)	(8,551)
General and administrative	(8,005)	(6,194)	(1,644)	(2,036)	(2,093)	(2,232)	(1,622)
Income from continuing operations	40,443	40,641	11,068	10,523	9,003	9,849	10,388
Discontinued operations:							
Income (loss) from operations of properties sold or held for sale	184	3,894	—	(100)	(11)	295	966
Gain on sale of real estate investment	37,011	1,029	—	3,038	1,883	32,090	1,029
Income (loss) from discontinued operations	37,195	4,923	—	2,938	1,872	32,385	1,995
Net Income	\$ 77,638	\$ 45,564	\$ 11,068	\$ 13,461	\$ 10,875	\$ 42,234	\$ 12,383
Per Share Data							
Net Income	\$ 1.84	\$ 1.09	\$ 0.26	\$ 0.32	\$ 0.26	\$ 1.01	\$ 0.30
Fully diluted weighted average shares outstanding	42,203	41,863	42,131	42,147	42,059	42,015	41,911
Percentage of Revenues:							
Real estate expenses	30.6%	29.9%	30.5%	30.5%	30.0%	31.3%	29.7%
General and administrative	4.2%	3.6%	3.3%	4.2%	4.5%	4.9%	3.7%
Ratios:							
EBITDA / Interest expense	3.3 x	3.5 x	3.2 x	3.3 x	3.3 x	3.4 x	3.6 x
Income from continuing operations/Total real estate revenue	21.3%	23.7%	22.5%	21.5%	19.3%	21.8%	23.8%
Net income/Total real estate revenue	40.9%	26.5%	22.5%	27.5%	23.4%	93.3%	28.3%

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

	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
Assets					
Land	\$ 226,217	\$ 226,217	\$ 218,732	\$ 217,590	\$ 204,831
Income producing property	1,024,702	1,014,464	949,623	936,188	895,553
Accumulated depreciation and amortization	(240,153)	(229,490)	(219,175)	(209,442)	(200,375)
Net income producing property	1,010,766	1,011,191	949,180	944,336	900,009
Development in progress	58,241	23,222	17,427	15,313	12,280
Total investment in real estate, net	1,069,007	1,034,413	966,607	959,649	912,289
Investment in real estate sold or held for sale, net	—	—	2,790	2,813	36,986
Cash and cash equivalents	4,938	5,595	15,478	3,607	5,065
Restricted cash	1,764	7,195	7,535	14,476	962
Rents and other receivables, net of allowance for doubtful accounts	25,258	24,077	22,515	21,365	21,402
Prepaid expenses and other assets	40,318	41,061	34,085	34,883	34,969
Other assets related to properties sold or held for sale	—	—	38	38	720
Total Assets	\$ 1,141,285	\$ 1,112,341	\$ 1,049,048	\$ 1,036,831	\$ 1,012,393
Liabilities and Shareholders' Equity					
Accounts payable and other liabilities	\$ 32,728	\$ 28,439	\$ 30,140	\$ 23,285	\$ 22,586
Advance rents	5,572	5,522	5,179	5,551	5,108
Tenant security deposits	7,393	7,220	6,305	5,990	5,784
Other liabilities related to properties sold or held for sale	—	—	—	—	848
Mortgage notes payable	169,617	170,393	196,960	197,775	173,429
Lines of credit/short-term note payable	24,000	93,500	—	90,500	117,000
Notes payable	520,000	420,000	420,000	320,000	320,000
Total Liabilities	759,310	725,074	658,584	643,101	644,755
Minority interest	1,670	1,656	1,646	1,642	1,629
Shareholders' Equity					
Shares of beneficial interest, \$0.01 par value; 100,000 shares authorized	\$ 421	\$ 421	\$ 421	\$ 420	\$ 420
Additional paid-in capital	407,972	407,614	407,572	405,119	405,029
Distributions in excess of net income	(25,228)	(19,361)	(15,878)	(9,796)	(35,544)
Less: Deferred Compensation on restricted shares	(2,860)	(3,063)	(3,297)	(3,655)	(3,896)
Total Shareholders' Equity	380,305	385,611	388,818	392,088	366,009
Total Liabilities and Shareholders' Equity	\$ 1,141,285	\$ 1,112,341	\$ 1,049,048	\$ 1,036,831	\$ 1,012,393
Total Debt / Total Market Capitalization	0.36:1	0.34:1	0.32:1	0.34:1	0.30:1

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

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

	Twelve Months Ended		Three Months Ended				
	12/31/05	12/31/04	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
Funds From Operations⁽¹⁾							
Net Income	\$ 77,638	\$45,564	\$11,068	\$13,461	\$10,875	\$ 42,234	\$12,383
Real estate depreciation and amortization	47,161	39,309	11,694	11,988	12,942	10,537	10,283
Discontinued operations:							
Gain on property disposed	(37,011)	(1,029)	—	(3,038)	(1,883)	(32,090)	(1,029)
Other income from property settlement	(504)	—	—	—	(504)	—	—
Real estate depreciation and amortization	71	1,784	—	18	25	28	302
Funds From Operations (FFO)	87,355	85,628	22,762	22,429	21,455	20,709	21,939
FFO per share - basic	\$ 2.08	\$ 2.06	\$ 0.54	\$ 0.53	\$ 0.51	\$ 0.49	\$ 0.53
FFO per share - fully diluted	\$ 2.07	\$ 2.05	\$ 0.54	\$ 0.53	\$ 0.51	\$ 0.49	\$ 0.52
Funds Available for Distribution⁽²⁾							
Tenant Improvements	(8,932)	(9,432)	(3,520)	(1,544)	(2,063)	(1,805)	(3,057)
External and Internal Leasing Commissions Capitalized	(4,272)	(2,713)	(1,004)	(1,111)	(1,094)	(1,063)	(923)
Recurring Capital Improvements	(9,125)	(9,068)	(2,445)	(2,129)	(2,360)	(2,192)	(3,009)
Straight-Line Rent, Net	(3,070)	(2,129)	(730)	(982)	(661)	(697)	(610)
Non-real estate depreciation and amortization	1,745	1,698	479	431	428	407	400
Amortization of lease intangibles-FAS 141	(17)	(12)	(17)	(17)	(33)	50	51
Amortization of restricted share compensation	1,134	—	299	368	467	—	—
Other	308	—	7	—	301	—	—
Funds Available for Distribution (FAD)	\$ 65,126	\$63,972	\$15,831	\$17,445	\$16,440	\$ 15,410	\$14,791
Total Dividends Paid	\$ 67,360	\$64,836	\$16,963	\$16,955	\$16,956	\$ 16,486	\$16,483
Average shares - basic	42,069	41,642	42,013	42,005	41,932	41,866	41,711
Average shares - fully diluted	42,203	41,863	42,131	42,147	42,059	42,015	41,911

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

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

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

	Three Months Ended				
	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
EBITDA⁽¹⁾					
Net income	\$11,068	\$13,461	\$10,875	\$ 42,234	\$12,383
Add:					
Interest expense	10,074	9,798	9,283	8,588	8,551
Real estate depreciation and amortization	11,694	12,006	12,967	10,565	10,585
Non-real estate depreciation	71	75	80	84	95
Less:					
Gain on sale of real estate	—	(3,038)	(1,883)	(32,089)	(1,029)
Other income	(263)	(335)	(207)	(113)	(88)
Other income from property settlement	—	—	(504)	—	—
EBITDA	\$32,644	\$31,967	\$30,611	\$ 29,269	\$30,497

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

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

	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
Balances Outstanding					
Secured					
Conventional fixed rate	\$ 169,617	\$ 170,393	\$196,960	\$197,775	\$ 173,429
Secured total	169,617	170,393	196,960	197,775	173,429
Unsecured					
Fixed rate bonds and notes	520,000	420,000	420,000	320,000	320,000
Credit facility	24,000	93,500	—	90,500	117,000
Unsecured total	544,000	513,500	420,000	410,500	437,000
Total	\$ 713,617	\$ 683,893	\$616,960	\$608,275	\$ 610,429
Average Interest Rates					
Secured					
Conventional fixed rate	5.9%	5.9%	6.2%	6.2%	6.6%
Secured total	5.9%	5.9%	6.2%	6.2%	6.6%
Unsecured					
Fixed rate bonds	5.9%	6.0%	6.0%	6.2%	6.2%
Credit facilities	5.0%	4.5%	0.0%	3.4%	3.1%
Unsecured total	5.8%	5.7%	6.0%	5.6%	5.4%
Average	5.9%	5.8%	6.0%	5.8%	5.7%

Maturity Schedule

Year	<i>Future Maturities of Debt</i>				Average Interest Rate
	Secured Debt	Unsecured Debt	Credit Facilities	Total Debt	
2006	\$ 8,678	\$ 50,000	\$ —	\$ 58,678	7.2%
2007	9,991	—	—	9,991	6.5%
2008	2,233	60,000	24,000	86,233	6.2%
2009	52,338	—	—	52,338	7.1%
2010	2,438	—	—	2,438	5.2%
2011	11,595	—	—	11,595	5.3%
2012	19,252	50,000	—	69,252	5.0%
2013	63,092	60,000	—	123,092	5.3%
2014	—	100,000	—	100,000	5.3%
Thereafter	—	200,000	—	200,000	5.9%
Total maturities	\$ 169,617	\$ 520,000	\$ 24,000	\$713,617	5.9%

Weighted average maturity = 7.4 years

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

	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
Market Data					
Shares Outstanding	42,139	42,125	42,123	42,004	42,000
Market Price per Share	\$ 30.35	\$ 31.11	\$ 31.20	\$ 28.75	\$ 33.87
Equity Market Capitalization	\$1,278,919	\$ 1,310,509	\$1,314,238	\$1,207,615	\$1,422,540
Total Debt	\$ 713,617	\$ 683,893	\$ 616,960	\$ 608,275	\$ 610,429
Total Market Capitalization	\$1,992,536	\$ 1,994,402	\$1,931,198	\$1,815,890	\$2,032,969
Total Debt to Market Capitalization	0.36:1	0.34:1	0.32:1	0.34:1	0.30:1
Earnings to Fixed Charges ⁽¹⁾	2.0 x	2.0 x	1.9 x	2.1 x	2.2 x
Debt Service Coverage Ratio ⁽²⁾	3.0 x	3.0 x	3.0 x	3.2 x	3.3 x
Dividend Data					
Total Dividends Paid	\$ 16,963	\$ 16,955	\$ 16,956	\$ 16,486	\$ 16,483
Common Dividend per Share	\$ 0.4025	\$ 0.4025	\$ 0.4025	\$ 0.3925	\$ 0.3925
Payout Ratio (FFO per share basis)	74.5%	75.6%	78.9%	79.6%	75.0%

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

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

Washington Real Estate Investment Trust
Core Portfolio Net Operating Income (NOI) Growth & Rental Rate Growth
Q4 2005 vs. Q4 2004

Cash Basis

<u>Sector</u>	<u>NOI Growth</u>	<u>Rental Rate Growth</u>
Multifamily	-1.3%	4.2%
Office Buildings	0.0%	0.0%
Medical Office Buildings	6.0%	2.9%
Retail Centers	3.0%	2.5%
Industrial / Flex Properties	0.5%	3.7%
Overall Core Portfolio	1.0%	1.9%

GAAP Basis

<u>Sector</u>	<u>NOI Growth</u>	<u>Rental Rate Growth</u>
Multifamily	-1.2%	4.3%
Office Buildings	-0.5%	-0.1%
Medical Office Buildings	3.5%	0.9%
Retail Centers	3.1%	2.7%
Industrial / Flex Properties	0.8%	4.3%
Overall Core Portfolio	0.7%	1.7%

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

	Three Months Ended December 31,		
	2005	2004	% Change
Cash Basis:			
Multifamily	\$ 4,360	\$ 4,418	-1.3%
Office Buildings	12,395	12,400	0.0%
Medical Office Buildings	3,035	2,863	6.0%
Retail Centers	5,637	5,474	3.0%
Industrial/Flex	4,787	4,765	0.5%
	<u>\$30,214</u>	<u>\$29,920</u>	<u>1.0%</u>
GAAP Basis:			
Multifamily	\$ 4,362	\$ 4,416	-1.2%
Office Buildings	12,648	12,707	-0.5%
Medical Office Buildings	3,136	3,031	3.5%
Retail Centers	5,730	5,557	3.1%
Industrial/Flex	4,825	4,787	0.8%
	<u>\$30,701</u>	<u>\$30,498</u>	<u>0.7%</u>

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

Three Months Ended December 31, 2005

	Multifamily	Office	Medical Office	Retail	Industrial	Corporate and Other	Total
Real estate rental revenue							
Core Portfolio	\$ 7,663	\$ 19,145	\$ 4,189	\$ 7,296	\$ 6,363	\$ —	\$ 44,656
Non-core- acquired ¹	—	544	295	1,122	2,641	—	4,602
Total	7,663	19,689	4,484	8,418	9,004	—	49,258
Real estate expenses							
Core Portfolio	3,301	6,497	1,053	1,566	1,538	—	13,955
Non-core- acquired ¹	—	170	115	209	592	—	1,086
Total	3,301	6,667	1,168	1,775	2,130	—	15,041
Net Operating Income (NOI)							
Core Portfolio	4,362	12,648	3,136	5,730	4,825	—	30,701
Non-core- acquired ¹	—	374	180	913	2,049	—	3,516
Total	\$ 4,362	\$ 13,022	\$ 3,316	\$ 6,643	\$ 6,874	\$ —	\$ 34,217
Core Portfolio NOI GAAP Basis (from above)	\$ 4,362	\$ 12,648	\$ 3,136	\$ 5,730	\$ 4,825	\$ —	\$ 30,701
Straight-line revenue, net for core properties	(2)	(199)	(102)	(122)	(68)	—	(493)
Amortization of lease intangibles for core properties	—	(54)	1	29	30	—	6
Core portfolio NOI, Cash Basis	\$ 4,360	\$ 12,395	\$ 3,035	\$ 5,637	\$ 4,787	\$ —	\$ 30,214
Reconciliation of NOI to Net Income							
Total NOI	\$ 4,362	\$ 13,022	\$ 3,316	\$ 6,643	\$ 6,874	\$ —	\$ 34,217
Other revenue	—	—	—	—	—	263	263
Other income from property settlement	—	—	—	—	—	—	—
Interest expense	(913)	—	(777)	(342)	(395)	(7,647)	(10,074)
Depreciation and amortization	(1,416)	(5,160)	(1,254)	(1,263)	(2,440)	(161)	(11,694)
General and administrative	—	—	—	—	—	(1,644)	(1,644)
Discontinued Operations ²	—	—	—	—	—	—	—
Net Income	\$ 2,033	\$ 7,862	\$ 1,285	\$ 5,038	\$ 4,039	\$ (9,189)	\$ 11,068

Three Months Ended December 31, 2004

	Multifamily	Office	Medical Office	Retail	Industrial	Corporate and Other	Total
Real estate rental revenue							
Core Portfolio	\$ 7,336	\$ 18,906	\$ 4,055	\$ 6,962	\$ 6,083	\$ —	\$ 43,342
Non-core- acquired ¹	—	—	281	—	101	—	382
Total	7,336	18,906	4,336	6,962	6,184	—	43,724
Real estate expenses							
Core Portfolio	2,920	6,199	1,024	1,405	1,296	—	12,844
Non-core- acquired ¹	—	—	113	—	11	—	124
Total	2,920	6,199	1,137	1,405	1,307	—	12,968
Net Operating Income (NOI)							
Core Portfolio	4,416	12,707	3,031	5,557	4,787	—	30,498
Non-core- acquired ¹	—	—	168	—	90	—	258
Total	\$ 4,416	\$ 12,707	\$ 3,199	\$ 5,557	\$ 4,877	\$ —	\$ 30,756
Core Portfolio NOI GAAP Basis (from above)	\$ 4,416	\$ 12,707	\$ 3,031	\$ 5,557	\$ 4,787	\$ —	\$ 30,498
Straight-line revenue, net for core properties	2	(258)	(169)	(111)	(52)	—	(588)
Amortization of lease intangibles for core properties	—	(49)	1	28	30	—	10
Core portfolio NOI, Cash Basis	\$ 4,418	\$ 12,400	\$ 2,863	\$ 5,474	\$ 4,765	\$ —	\$ 29,920
Reconciliation of NOI to Net Income							
Total NOI	\$ 4,416	\$ 12,707	\$ 3,199	\$ 5,557	\$ 4,877	\$ —	\$ 30,756
Other revenue	—	—	—	—	—	88	88
Non-Disposal Gain	—	—	—	—	—	—	—
Interest expense	(1,065)	(678)	(502)	—	(284)	(6,022)	(8,551)
Depreciation and amortization	(1,228)	(5,105)	(1,240)	(928)	(1,510)	(272)	(10,283)
General and administrative	—	—	—	—	—	(1,622)	(1,622)
Discontinued Operations ²	—	1,939	—	—	56	—	1,995
Net Income	\$ 2,123	\$ 8,863	\$ 1,457	\$ 4,629	\$ 3,139	\$ (7,828)	\$ 12,383

¹ Non-core acquired properties for Q4 2005 and Q4 2004 were 8301 Arlington Boulevard, Dulles Business Park, Frederick Crossing, the Coleman Building and Albemarle Point.

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

Washington Real Estate Investment Trust
Core Portfolio & Overall Occupancy Levels by Sector
Q4 2005 vs. Q4 2004

GAAP Basis

Sector	Core Portfolio		All Properties	
	4th QTR 2005	4th QTR 2004	4th QTR 2005	4th QTR 2004
Multifamily	92.0%	91.6%	92.0%	91.6%
Office Buildings	89.2%	88.0%	89.0%	86.6%
Medical Office Buildings	99.6%	98.6%	98.5%	98.1%
Retail Centers	98.3%	95.8%	98.6%	95.8%
Industrial / Flex Properties	93.0%	94.2%	94.9%	94.3%
Overall Portfolio	92.4%	91.5%	92.8%	90.6%

Washington Real Estate Investment Trust
Schedule of Properties
December 31, 2005

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET
<u>Office Buildings</u>				
1901 Pennsylvania Avenue	Washington, DC	1977	1960	97,000
51 Monroe Street	Rockville, MD	1979	1975	208,000
515 King Street	Alexandria, VA	1992	1966	78,000
The Lexington Building	Rockville, MD	1993	1970	46,000
The Saratoga Building	Rockville, MD	1993	1977	59,000
Brandywine Center	Rockville, MD	1993	1969	35,000
6110 Executive Boulevard	Rockville, MD	1995	1971	199,000
1220 19th Street	Washington, DC	1995	1976	102,000
Maryland Trade Center I	Greenbelt, MD	1996	1981	190,000
Maryland Trade Center II	Greenbelt, MD	1996	1984	158,000
1600 Wilson Boulevard	Arlington, VA	1997	1973	166,000
7900 Westpark Drive	McLean, VA	1997	1972/1986/1999 ¹	521,000
600 Jefferson Plaza	Rockville, MD	1999	1985	115,000
1700 Research Boulevard	Rockville, MD	1999	1982	103,000
Parklawn Plaza	Rockville, MD	1999	1986	40,000
Wayne Plaza	Silver Spring, MD	2000	1970	91,000
Courthouse Square	Alexandria, VA	2000	1979	113,000
One Central Plaza	Rockville, MD	2001	1974	267,000
The Atrium Building	Rockville, MD	2002	1980	81,000
1776 G Street	Washington, DC	2003	1979	262,000
Albemarle Point	Chantilly, VA	2005	2001	90,000
Subtotal				3,021,000
<u>Medical Office Buildings</u>				
Woodburn Medical Park I	Annandale, VA	1998	1984	71,000
Woodburn Medical Park II	Annandale, VA	1998	1988	96,000
Prosperity Medical Center I	Merrifield, VA	2003	2000	92,000
Prosperity Medical Center II	Merrifield, VA	2003	2001	88,000
Prosperity Medical Center III	Merrifield, VA	2003	2002	75,000
Shady Grove Medical Village II	Rockville, MD	2004	1999	66,000
8301 Arlington Boulevard	Fairfax, VA	2004	1965	50,000
Subtotal				538,000
<u>Retail Centers</u>				
Takoma Park	Takoma Park, MD	1963	1962	51,000
Westminster	Westminster, MD	1972	1969	146,000
Concord Centre	Springfield, VA	1973	1960	76,000
Wheaton Park	Wheaton, MD	1977	1967	72,000
Bradlee	Alexandria, VA	1984	1955	168,000
Chevy Chase Metro Plaza	Washington, DC	1985	1975	50,000
Montgomery Village Center	Gaithersburg, MD	1992	1969	198,000
Shoppes of Foxchase ²	Alexandria, VA	1994	1960	128,000
Frederick County Square	Frederick, MD	1995	1973	227,000
800 S. Washington Street ³	Alexandria, VA	1998/2003	1955/1959	45,000
Centre at Hagerstown	Hagerstown, MD	2002	2000	334,000
Frederick Crossing	Frederick, MD	2005	1999/2003	295,000
Subtotal				1,790,000

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

² Approximately 60,000 square feet of the center is under redevelopment

³ South Washington Street includes 718 Jefferson Street, acquired in May 2003 to complete the ownership of the entire block of 800 S. Washington Street. See Development Summary on page 19.

Washington Real Estate Investment Trust
Schedule of Properties (Cont.)
December 31, 2005

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE* SQUARE FEET
<u>Multifamily Buildings * / # units</u>				
3801 Connecticut Avenue / 307	Washington, DC	1963	1951	177,000
Roosevelt Towers / 190	Falls Church, VA	1965	1964	168,000
Country Club Towers / 227	Arlington, VA	1969	1965	159,000
Park Adams / 200	Arlington, VA	1969	1959	172,000
Munson Hill Towers / 279	Falls Church, VA	1970	1963	259,000
The Ashby at McLean / 250	McLean, VA	1996	1982	244,000
Walker House Apartments / 212	Gaithersburg, MD	1996	1971/2003 ⁴	154,000
Bethesda Hill Apartments / 194	Bethesda, MD	1997	1986	226,000
Avondale / 236	Laurel, MD	1999	1987	170,000
Subtotal (2,095 units)				1,729,000
<u>Industrial Distribution / Flex Properties</u>				
Fullerton Business Center	Springfield, VA	1985	1980	104,000
Charleston Business Center	Rockville, MD	1993	1973	85,000
Tech 100 Industrial Park	Elkridge, MD	1995	1990	167,000
Crossroads Distribution Center	Elkridge, MD	1995	1987	85,000
The Alban Business Center	Springfield, VA	1996	1981/1982	87,000
The Earhart Building	Chantilly, VA	1996	1987	93,000
Ammendale Technology Park I	Beltsville, MD	1997	1985	167,000
Ammendale Technology Park II	Beltsville, MD	1997	1986	108,000
Pickett Industrial Park	Alexandria, VA	1997	1973	246,000
Northern Virginia Industrial Park	Lorton, VA	1998	1968/1991	788,000
8900 Telegraph Road	Lorton, VA	1998	1985	32,000
Dulles South IV	Chantilly, VA	1999	1988	83,000
Sully Square	Chantilly, VA	1999	1986	95,000
Amvax	Beltsville, MD	1999	1986	31,000
Sullyfield Center	Chantilly, VA	2001	1985	245,000
Fullerton Industrial Center	Springfield, VA	2003	1980	137,000
8880 Gorman Road	Laurel, MD	2004	2000	141,000
Dulles Business Park Portfolio	Chantilly, VA	2004/2005	1999-2005	325,000
Albemarle Point	Chantilly, VA	2005	2001/2003/2005	206,000
Subtotal				3,225,000
TOTAL				10,303,000

* Multifamily buildings are presented in gross square feet.

⁴ A 16 unit addition referred to as The Gardens at Walker House was completed in October 2003.

Washington Real Estate Investment Trust
Commercial Leasing Summary
Three and twelve months ended 12/31/05

	Three months ended 31-Dec-05		Twelve months ended 31-Dec-05	
Gross Leasing Square Footage				
Office Buildings	166,585		711,715	
Medical Office	3,875		40,145	
Retail Centers	44,574		180,698	
Industrial Centers	175,674		787,484	
Total	390,708		1,720,042	
Weighted Average Term (yrs)				
Office Buildings	4.8		5.2	
Medical Office	3.7		3.3	
Retail Centers	7.0		6.0	
Industrial Centers	3.4		3.9	
Total	4.4		4.7	
	<u>GAAP</u>	<u>CASH</u>	<u>GAAP</u>	<u>CASH</u>
Rental Rate Increases:				
Rate on expiring leases				
Office Buildings	\$ 25.97	\$ 27.56	\$ 29.00	\$ 29.87
Medical Office	31.03	32.03	29.08	29.91
Retail Centers	15.08	15.68	20.77	21.23
Industrial Centers	9.15	9.41	8.36	8.54
Total	\$ 17.22	\$ 18.09	\$ 18.69	\$ 19.20
Rate on new and renewal leases				
Office Buildings	\$ 27.50	\$ 25.87	\$ 30.10	\$ 28.55
Medical Office	35.63	34.07	32.34	31.17
Retail Centers	22.83	21.00	26.71	24.84
Industrial Centers	10.28	9.92	9.38	8.80
Total	\$ 19.30	\$ 18.22	\$ 20.31	\$ 19.18
% Increase				
Office Buildings	5.89%	-6.13%	3.79%	-4.42%
Medical Office	14.82%	6.37%	11.21%	4.21%
Retail Centers	51.39%	33.93%	28.60%	17.00%
Industrial Centers	12.35%	5.42%	12.20%	3.04%
Total	12.08%	0.72%	8.67%	-0.10%
	<u>Total Dollars</u>	<u>Dollars per Square Foot</u>	<u>Total Dollars</u>	<u>Dollars per Square Foot</u>
Tenant Improvements and Leasing Costs				
Office Buildings	\$2,536,666	\$ 15.23	\$12,774,591	\$ 17.95
Medical Office	42,751	11.03	424,991	10.59
Retail Centers	64,069	1.44	1,372,989	7.60
Industrial Centers	493,292	2.81	2,673,986	3.40
Total	\$3,136,778	\$ 8.03	\$17,246,557	\$ 10.03

Washington Real Estate Investment Trust
10 Largest Tenants - Based on Annualized Rent
December 31, 2005

<u>Tenant</u>	<u>Number of Buildings</u>	<u>Weighted Average Remaining Lease Term in Months</u>	<u>Percentage of Aggregate Portfolio Annualized Rent</u>	<u>Aggregate Rentable Square Feet</u>	<u>Percentage of Aggregate Occupied Square Feet</u>
World Bank	1	53	5.84%	210,354	2.65%
Sunrise Senior Living, Inc.	1	93	3.30%	180,066	2.27%
General Services Administration	7	39	2.44%	248,511	3.13%
Sun Microsystems, Inc.	1	12	2.07%	110,184	1.39%
INOVA Health Care Services	4	56	1.86%	83,631	1.05%
George Washington University	2	31	1.43%	66,066	0.83%
IQ Solutions	1	53	1.28%	58,473	0.74%
United Communications Group	1	29	1.17%	63,189	0.80%
Lockheed Corporation*	2	13	1.14%	73,770	0.93%
Westat, Inc.	2	47	1.03%	72,646	0.92%
Total/Weighted Average		47	21.56%	1,166,890	14.71%

* A lease renewal was executed January 17, 2006 for 58,531sf through 03/31/09 for Lockheed Corporation. This extends the weighted average remaining lease term to 37 months.

Washington Real Estate Investment Trust
Industry Diversification
December 31, 2005

Industry Classification (NAICS)	Annualized Base Rental Revenue	Percentage of Aggregate Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Square Feet
Professional, Scientific and Technical Services	\$ 34,323,854	23.45%	1,688,732	21.28%
Ambulatory Health Care Services	18,095,366	12.36%	608,549	7.67%
Credit Intermediation and Related Activities	14,191,131	9.69%	423,572	5.34%
Executive, Legislative & Other General Government Support	6,967,057	4.76%	381,892	4.81%
Nursing and Residential Care Facilities	4,834,283	3.30%	180,677	2.28%
Food Services and Drinking Places	4,739,017	3.24%	208,891	2.63%
Religious, Grantmaking, Civic, Professional & Similar Org.	4,594,301	3.14%	167,985	2.12%
Food and Beverage Stores	3,939,969	2.69%	253,536	3.20%
Administrative and Support Services	3,670,250	2.51%	297,957	3.76%
Furniture and Home Furnishing Stores	3,170,980	2.17%	231,885	2.92%
Aerospace Product & Parts Manufacturing	2,919,634	1.99%	156,093	1.97%
Educational Services	2,904,981	1.98%	105,816	1.33%
Miscellaneous Store Retailers	2,783,326	1.90%	216,952	2.73%
Specialty Trade Contractors	2,554,204	1.74%	312,678	3.94%
General Merchandise Stores	2,179,142	1.49%	300,915	3.79%
Other	34,514,908	23.59%	2,398,214	30.23%
Total	\$146,382,403	100.00%	7,934,344	100.00%

Washington Real Estate Investment Trust
Lease Expirations
December 31, 2005

Year	Number of Leases	Rentable Square Feet	Percent of Rentable Square Feet	Annualized Rent *	Average Rental Rate	Percent of Annualized Rent *
Office:						
2006	108	472,798	17.8%	\$ 12,576,688	\$26.60	17.4%
2007	71	262,778	9.9%	6,777,757	25.79	9.4%
2008	71	325,386	12.2%	9,209,844	28.30	12.7%
2009	71	405,323	15.2%	10,968,475	27.06	15.1%
2010	71	533,764	20.1%	15,284,765	28.64	21.1%
2011 and thereafter	66	658,045	24.8%	17,569,231	26.70	24.3%
	<u>458</u>	<u>2,658,094</u>	<u>100.0%</u>	<u>\$ 72,386,760</u>	<u>\$27.23</u>	<u>100.0%</u>
Medical Office:						
2006	15	18,153	3.4%	\$ 579,430	\$31.92	3.5%
2007	13	31,702	6.0%	983,924	31.04	6.0%
2008	25	84,489	16.0%	2,628,354	31.11	15.9%
2009	12	35,033	6.6%	1,099,463	31.38	6.6%
2010	24	117,335	22.2%	3,761,890	32.06	22.7%
2011 and thereafter	42	242,076	45.8%	7,488,924	30.94	45.3%
	<u>131</u>	<u>528,788</u>	<u>100.0%</u>	<u>\$ 16,541,985</u>	<u>\$31.28</u>	<u>100.0%</u>
Retail:						
2006	41	99,947	5.7%	\$ 2,238,045	\$22.39	8.0%
2007	54	162,418	9.3%	3,477,909	21.41	12.4%
2008	31	178,755	10.2%	1,755,827	9.82	6.3%
2009	35	147,403	8.4%	3,005,909	20.39	10.8%
2010	44	280,442	16.0%	4,835,924	17.24	17.3%
2011 and thereafter	78	883,535	50.4%	12,615,781	14.28	45.2%
	<u>283</u>	<u>1,752,500</u>	<u>100.0%</u>	<u>\$ 27,929,395</u>	<u>\$ 15.94</u>	<u>100.0%</u>
Industrial:						
2006	63	546,843	18.2%	\$ 5,043,579	\$ 9.22	17.1%
2007	39	414,913	13.8%	3,676,656	8.86	12.5%
2008	48	583,456	19.5%	5,641,470	9.67	19.1%
2009	36	519,331	17.3%	4,996,567	9.62	16.9%
2010	29	245,107	8.2%	2,721,575	11.10	9.2%
2011 and thereafter	30	688,312	23.0%	7,444,416	10.82	25.2%
	<u>245</u>	<u>2,997,962</u>	<u>100.0%</u>	<u>\$ 29,524,263</u>	<u>\$ 9.85</u>	<u>100.0%</u>
Total:						
2006	227	1,137,741	14.3%	\$ 20,437,742	\$17.96	14.0%
2007	177	871,811	11.0%	14,916,246	17.11	10.2%
2008	175	1,172,086	14.8%	19,235,495	16.41	13.1%
2009	154	1,107,090	13.9%	20,070,414	18.13	13.7%
2010	168	1,176,648	14.8%	26,604,154	22.61	18.2%
2011 and thereafter	216	2,471,968	31.2%	45,118,352	18.25	30.8%
	<u>1,117</u>	<u>7,937,344</u>	<u>100.0%</u>	<u>\$ 146,382,403</u>	<u>\$18.44</u>	<u>100.0%</u>

* Annualized Rent is as of December 31, 2005 rental revenue (cash basis) multiplied by 12.

Washington Real Estate Investment Trust
2005 Acquisition and Disposition Summary
as of December 31, 2005
(\$'s in thousands)

Acquisition Summary

	<u>Acquisition Date</u>	<u>Square Feet</u>	<u>Leased Percentage at Acquisition</u>	<u>December 31, 2005 Leased Percentage</u>	<u>Investment (in thousands)</u>
Frederick Crossing Shopping Center Frederick, MD	03/23/05	294,724	100%	100%	\$ 44,800
Coleman Building Chantilly, VA	04/08/05	59,767	64%	100%	\$ 8,800
Albemarle Point Chantilly, VA	07/29/05	296,105	97%	97%	\$ 66,800
Dulles Station* Herndon, VA	12/05/05	N/A	N/A	N/A	\$ 24,700
Total					\$ 145,100

* Land held for development

Disposition Summary

	<u>Disposition Date</u>	<u>Property Type</u>	<u>Square Feet</u>	<u>Sale Price (in thousands)</u>	<u>GAAP Gain (in thousands)</u>
8230 Boone Blvd	11/15/04	Office	58,000	\$ 10,000	\$ 1,883*
7700 Leesburg Pike	02/01/05	Office	147,000	\$ 20,150	\$ 8,527
Tycon Plaza II	02/01/05	Office	127,000	\$ 19,400	\$ 8,867
Tycon Plaza III	02/01/05	Office	137,000	\$ 27,950	\$ 14,696
Pepsi-Cola Distribution Center	09/08/05	Industrial	69,000	\$ 6,000	\$ 3,038
Total			538,000	\$ 83,500	\$ 37,011

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

Washington Real Estate Investment Trust
2005 Development Summary
as of December 31, 2005
(\$'s in thousands)

Property and Location	Total Rentable Square Feet or # of Units	Percentage Leased or Committed	Anticipated Total Cash Cost	Cash Cost to Date	Anticipated Construction Completion Date
Development					
Rosslyn Towers ¹ Arlington, VA (High Rise)	178 units, 1,600 sq ft. retail & 498 parking spaces underground	0%	\$ 63,600	\$20,201 ³	
(Mid Rise)	46 units, 4,300 sq ft. retail & 225 parking spaces underground	0%			2Q 07
South Washington Street ² Alexandria, VA	75 units & 2,600 sq ft. retail	0%	\$ 32,200	\$ 7,207 ³	1Q 07
Dulles Station ⁴ Phase I Herndon, VA	185,000 sq ft office	0%	\$ 51,000 ⁵	\$10,243 ³	4Q 07
Phase II	355,000 sq ft office		TBD	\$16,349 ³	TBD
Total			<u>\$146,800</u>	<u>\$54,000</u>	
Re-development					
Foxchase Shopping Center ⁶ Alexandria, VA	60,600 sq ft.	97%	\$ 10,000	\$ 2,679	4Q 06

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

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

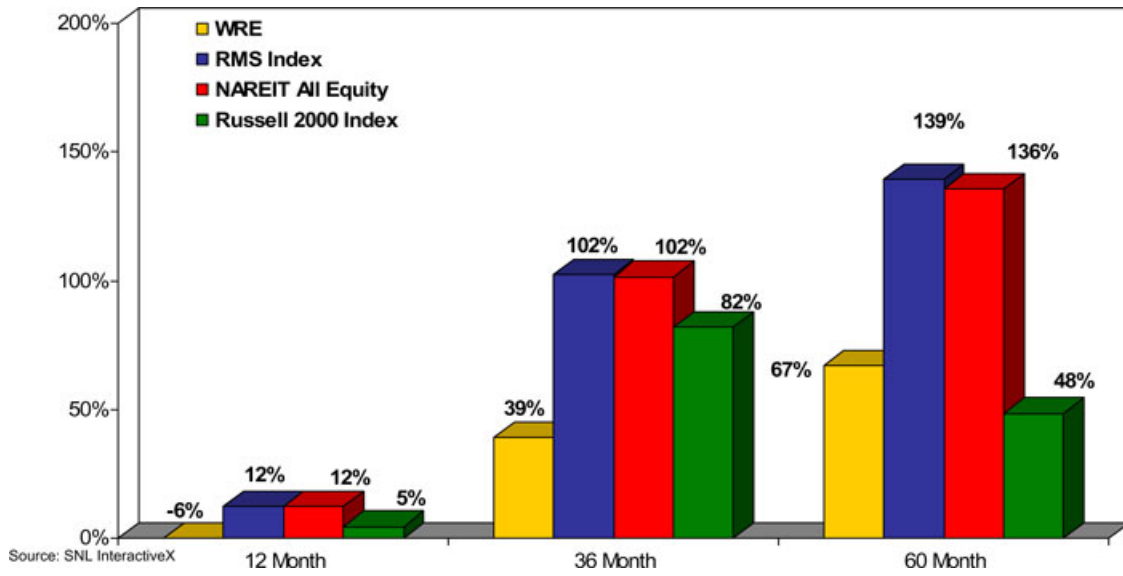
³ Includes land cost.

⁴ Dulles Station is 5.27 acres acquired in December, 2005.

⁵ Represents total costs associated with Phase I. We will concurrently build a portion of the structured garage, allocated to Phase II, which will cost an additional \$5M.

⁶ Redevelopment in connection with a lease executed in September 2004 with Harris Teeter.

WRIT vs. Morgan Stanley REIT Index & NAREIT All Equity Index & Russell 2000
12, 36, and 60 Month Total Returns
December 31, 2005



Washington Real Estate Investment Trust
Reporting Definitions
December 31, 2005

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

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

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

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

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

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

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

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

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

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

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