

**UNITED STATES
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) October 27, 2011

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

MARYLAND
(State of incorporation)

53-0261100
(IRS Employer
Identification Number)

6110 EXECUTIVE BOULEVARD, SUITE 800, ROCKVILLE, MARYLAND
(Address of principal executive office)

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 October 27, 2011 regarding earnings for the three and nine months ended September 30, 2011, 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 October 27, 2011 regarding earnings for the three and nine months ended September 30, 2011

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
Executive Vice President Accounting,
Administration and Corporate Secretary

October 27, 2011
(Date)

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release issued October 27, 2011 regarding earnings for the three and nine months ended September 30, 2011
99.2	Certain supplemental information not included in the press release



NEWS RELEASE

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October 27, 2011

**WASHINGTON REAL ESTATE INVESTMENT TRUST ANNOUNCES
 THIRD QUARTER FINANCIAL AND OPERATING RESULTS**

Washington Real Estate Investment Trust ("WRIT" or the "Company") (NYSE: WRE), a leading owner and operator of diversified properties in the Washington, D.C. region, reported financial and operating results today for the quarter ended September 30, 2011:

- Core Funds from Operations⁽¹⁾, defined as Funds from Operations⁽¹⁾ ("FFO") excluding acquisition expense, gains or losses on extinguishment of debt and impairment, was \$32.4 million, or \$0.48 per diluted share for the quarter ended September 30, 2011, compared to \$31.1 million, or \$0.49 per diluted share for the prior year period. FFO for the quarter ended September 30, 2011 was \$30.8 million, or \$0.46 per share, compared to \$30.9 million, or \$0.49 per share, in the same period one year ago.
- Net income attributable to the controlling interests for the quarter ended September 30, 2011 was \$63.0 million, or \$0.95 per diluted share, compared to \$6.6 million, or \$0.10 per diluted share, in the same period one year ago. Included in third quarter 2011 net income are gains on sale of real estate of \$56.6 million, or \$0.86 per share, and acquisition costs of \$1.6 million, or \$0.02 per share.

Acquisitions and Dispositions

In 2011, WRIT initiated a long-term strategy to focus on acquiring office, medical office, retail and multifamily properties inside the Beltway, near major transportation nodes and in areas with strong employment drivers and superior growth demographics. As part of this strategy, WRIT also initiated the sale of its industrial assets to allow for recycling of capital proceeds into assets consistent with its long-term strategy.

"In this quarter and subsequent to quarter end, we made major strides in repositioning our portfolio by completing the majority of our industrial portfolio sale and reinvesting a large portion of the proceeds into better located and faster growing office and retail assets. Our pace of reinvestment has been slower than we expected - which has had an impact on our quarterly earnings. Nevertheless, we're exceptionally pleased with the results of our nearly \$770 million of acquisition and disposition transactions this year which resulted in a significant upgrade in the quality of our portfolio. The improvement in the quality of our revenue stream from these acquisitions will help buffer the impact of a still challenging business environment in Washington, D.C. and nationwide, due to uncertainties with federal spending and a weak economic recovery," said George F. "Skip" McKenzie, President and Chief Executive Officer of WRIT.

In the third quarter of 2011, WRIT acquired three assets totaling 767,000 square feet and \$233 million: Olney Village Center, Braddock Metro Center and John Marshall II.

- WRIT acquired Olney Village Center, a 199,000 square foot grocery-anchored shopping center in Olney, Maryland, for \$58.0 million. The property is located in the heart of Olney near the main intersection of Georgia Avenue (Route 97) and Sandy Spring Road (Route 108). It is anchored by Shoppers Food Warehouse and is 98.7% leased to 32 tenants, including national retailers T.J. Maxx, HomeGoods, and SunTrust Bank. The center was built in 1979 and underwent a major renovation in 2003. WRIT assumed a \$22.6 million mortgage, bearing interest at 6.37% per annum and maturing in 2023, and funded the remaining balance of \$35.4 million using available cash and its line of credit. WRIT expects to achieve a first year unleveraged yield of 6.7% on a cash basis.
- WRIT acquired Braddock Metro Center, a 345,000 square foot office campus on the Metro in Alexandria, Virginia, for \$101 million. The campus consists of four office buildings and a two-level underground parking garage and is located in the northwest quadrant of Old Town Alexandria, immediately adjacent to the Braddock Road Metro Station (Yellow and Blue lines), one stop from Reagan National Airport. The properties were built in 1985 and are 92% leased to 13 office tenants including associations and government contractors. WRIT funded the acquisition with cash proceeds from its recent sale transactions of the industrial portfolio. WRIT expects to achieve a first year unleveraged yield of 6.9% on a cash basis.

- WRIT acquired John Marshall II, a nine story, 223,000 square foot office building situated at the Tysons Central 7 Metro Station in Tysons Corner, Virginia, for \$73.5 million. The property is 100% leased to Booz Allen Hamilton Inc. through January 2016 and serves as its worldwide headquarters. It was built in 1996 and renovated in 2010 and is located at 8283 Greensboro Drive. The Tysons Central 7 Metro Station is one of four metro stations currently under construction that will serve Tysons Corner upon the Dulles Corridor Metrorail's anticipated completion in 2013. WRIT assumed a \$54.1 million mortgage bearing interest at 5.79% per annum and maturing in 2016. WRIT funded the remaining balance of \$19.4 million using proceeds from the recent sales of its industrial assets and its line of credit and expects to achieve a first year unleveraged yield of 6.7% on a cash basis.

In the third quarter as well as subsequent to quarter end, WRIT completed four separate sale transactions involving an aggregate of approximately 2.6 million square feet of its industrial portfolio along with two office assets. The aggregate sales proceeds for the four transactions were \$280.3 million. The first sale transaction included 8880 Gorman Road, Alban Business Center, Dulles South IV, Fullerton Business Center, and Hampton Overlook. The second transaction included Northern Virginia Industrial Park I and Pickett Industrial Park. The third transaction included 270 Technology Park, 8900 Telegraph Road, 9950 Business Parkway, Albemarle Point, Fullerton Industrial Center, Hampton South, and Sully Square, as well as the Albemarle Point and Crescent office buildings. The fourth transaction included Northern Virginia Industrial Park II. The buyers are affiliates of a joint venture between AREA Property Partners (AREA) and the Adler Group (Adler).

WRIT's remaining two industrial properties, 6100 Columbia Park Road and Dulles Business Park, are under one additional sale contract with AREA/Adler which is projected to close on or about November 1, 2011 for approximately \$69.7 million. The aggregate sales proceeds for the entire industrial portfolio are \$350 million.

Operating Results

The Company's overall portfolio Net Operating Income ("NOI")²⁾ was \$47.9 million compared to \$43.1 million in the same period one year ago and \$47.9 million in the second quarter of 2011. Overall portfolio physical occupancy for the third quarter was 89.0%, compared to 88.4% in the same period one year ago and 87.7% in the second quarter of 2011.

Same-store³⁾ portfolio physical occupancy for the third quarter was 90.7%, compared to 92.1% in the same period one year ago. Sequentially, same-store physical occupancy decreased 70 basis points (bps) compared to the second quarter of 2011. Same-store portfolio NOI for the third quarter increased 0.6% and rental rate growth was 2.0% compared to the same period one year ago.

- **Multifamily: 16.1% of Total NOI** - Multifamily properties' same-store NOI for the third quarter increased 1.0% compared to the same period one year ago. Rental rate growth was 4.3% while same-store physical occupancy decreased 240 bps to 94.0%. Sequentially, same-store physical occupancy decreased 160 bps compared to the second quarter of 2011.
- **Office: 48.1% of Total NOI** - Office properties' same-store NOI for the third quarter increased 1.3% compared to the same period one year ago. Rental rate growth was 1.0% while same-store physical occupancy decreased 130 bps to 88.1%. Sequentially, same-store physical occupancy decreased by 50 bps compared to the second quarter of 2011.
- **Medical: 16.1% of Total NOI** - Medical office properties' same-store NOI for the third quarter increased 2.4% compared to the same period one year ago. Rental rate growth was 3.2% while same-store physical occupancy decreased 200 bps to 91.3%. Sequentially, same-store physical occupancy decreased 40 bps compared to the second quarter of 2011.
- **Retail: 19.7% of Total NOI** - Retail properties' same-store NOI for the third quarter decreased 3.4% compared to the same period one year ago. Rental rate growth was 0.9% while same-store physical occupancy decreased 40 bps to 91.8%. Sequentially, same-store physical occupancy decreased 40 bps compared to the second quarter of 2011.

Leasing Activity

During the third quarter, WRIT signed commercial leases for 241,880 square feet with an average rental rate increase of 11.7% over expiring lease rates on a GAAP basis, an average lease term of 4.7 years, tenant improvement costs of \$14.90 per square foot and leasing costs of \$9.54 per square foot.

- Rental rates for new and renewed office leases increased 9.7% to \$39.53 per square foot, with \$13.52 per square foot in tenant improvement costs and \$10.44 per square foot in leasing costs. Weighted average term for new and renewed leases was 4.3 years.
- Rental rates for new and renewed medical office leases increased 9.0% to \$37.76 per square foot, with \$3.86 per square foot in tenant improvement costs and \$7.10 per square foot in leasing costs. Weighted average term for new and renewed leases was 4.9 years.
- Rental rates for new and renewed retail leases increased 31.3% to \$18.56 per square foot, with \$23.77 per square foot in tenant improvement costs and \$8.42 per square foot in leasing costs. Weighted average term for new and renewed leases was 5.9 years.

Financing Activity

WRIT replaced and expanded its unsecured credit facility with Wells Fargo on July 1, increasing its size from \$262 million to \$400 million. An accordion feature allows WRIT to increase the facility to \$600 million, subject to additional lender commitments. The new facility matures July 1, 2014 with a one-year extension option and bears interest at a rate of LIBOR plus a margin of 122.5 basis points based on WRIT's current credit rating.

WRIT prepaid without penalty a \$9.1 million 6.98% mortgage note on Shady Grove Medical Village II, in Rockville, Maryland.

Subsequent to quarter end, WRIT prepaid two mortgage notes with an aggregate principal amount of \$17.5 million at interest rates of 7.09% and 5.94% in connection with the upcoming sale of Dulles Business Park. The prepayment penalty was approximately \$1 million, the majority of which will be reimbursed by the purchaser.

Guidance

Given the differences in timing of the year-to-date acquisition and disposition activity, as well as current occupancy levels versus our original projections, management is narrowing 2011 Core FFO guidance to a range of \$1.96 - 1.99. Further detail will be provided on the Conference Call.

Dividends

On September 30, 2011, WRIT paid a quarterly dividend of \$0.43375 per share for its 199th consecutive quarterly dividend at equal or increasing rates.

Conference Call Information

The Conference Call for 3rd Quarter Earnings is scheduled for Friday, October 28, 2011 at 11:00 A.M. Eastern time. Conference Call access information is as follows:

USA Toll Free Number: 1-877-407-9205
International Toll Number: 1-201-689-8054

The instant replay of the Conference Call will be available until November 11, 2011 at 11:59 P.M. Eastern time. Instant replay access information is as follows:

USA Toll Free Number: 1-877-660-6853
International Toll Number: 1-201-612-7415
Account: 286
Conference ID: 379485

The live on-demand webcast of the Conference Call will be available on the Investor section of WRIT's website at www.writ.com. On-line playback of the webcast will be available for two weeks following the Conference Call.

About WRIT

WRIT is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington metro region. WRIT owns a diversified portfolio of 73 properties totaling approximately 9 million square feet of commercial space and 2,540 residential units, and land held for development. These 73 properties consist of 26 office properties, 2 industrial/flex properties, 18 medical office properties, 16 retail centers and 11 multifamily properties. WRIT shares are publicly traded on the New York Stock Exchange (NYSE: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 our earnings release and on our conference call 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, the potential for federal government budget reductions, changes in general and local economic and real estate market conditions, the timing and pricing of lease transactions, the effect of the current credit and financial market conditions, the availability and cost of capital, fluctuations in interest rates, tenants' financial conditions, levels of competition, the effect of government regulation, the impact of newly adopted accounting principles, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2010 Form 10-K and second quarter 2011 Form 10-Q. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

- (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) associated with sales of property plus real estate depreciation and amortization. FFO is a non-GAAP measure and does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. 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.

Core Funds From Operations ("Core FFO") is calculated by adjusting FFO for the following items (which we believe are not indicative of the performance of WRIT's operating portfolio and affect the comparative measurement of WRIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties and (3) real estate impairments, as appropriate. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of WRIT's ability to incur and service debt and to distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

- (2) Net Operating Income ("NOI"), defined as real estate rental revenue less real estate expenses, is a non-GAAP measure. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain on sale, if any), plus interest expense, depreciation and amortization and general and administrative expenses. We provide NOI as a supplement to 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. It is the primary performance measure we use to assess the results of our operations at the property level.

- (3) For purposes of evaluating comparative operating performance, we categorize our properties as “same-store” or “non-same-store”. A same-store property is one that was owned for the entirety of the periods being evaluated. A non-same-store property is one that was acquired or placed into service during either of the periods being evaluated.
- (4) Funds Available for Distribution (“FAD”) is a non-GAAP measure. It 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, (4) real estate impairments, (5) amortization of restricted share and unit compensation, and adding or subtracting amortization of lease intangibles, as appropriate. We consider FAD 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-standardized measure and may be calculated differently by other REITs.

Physical Occupancy Levels by Same-Store Properties (i) and All Properties

Segment	Physical Occupancy			
	Same-Store Properties		All Properties	
	3rd QTR 2011	3rd QTR 2010	3rd QTR 2011	3rd QTR 2010
Multifamily	94.0%	96.4%	94.0%	96.4%
Office	88.1%	89.4%	88.6%	89.6%
Medical Office	91.3%	93.3%	87.2%	87.8%
Retail	91.8%	92.2%	92.3%	92.2%
Industrial	— %	— %	75.4%	79.5%
Overall Portfolio	90.7%	92.1%	89.0%	88.4%

- (i) Same-Store properties include all stabilized properties that were owned for the entirety of the current and prior year reporting periods. For Q3 2011 and Q3 2010, same-store properties exclude:

Residential Acquisitions: none;

Office Acquisitions: Quantico Corporate Center, 1140 Connecticut Ave, 1227 25th Street, and John Marshall II;

Medical Office Acquisition: Lansdowne Medical Office Building;

Retail Acquisition: Gateway Overlook Shopping Center and Olney Village Center;

Industrial Acquisitions: none.

Also excluded from Same-Store Properties in Q3 2011 and Q3 2010 are:

Held for Sale and Sold Properties: The Ridges, Ammendale I & II, Amvax, Dulles Station I, and the Industrial Portfolio (all industrial properties and the Crescent and Albemarle Point).

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
OPERATING RESULTS				
Revenue				
Real estate rental revenue	\$ 71,931	\$ 65,032	\$212,819	\$193,126
Expenses				
Real estate expenses	24,070	21,912	71,124	65,627
Depreciation and amortization	23,479	20,224	67,899	59,574
General and administrative	3,837	3,141	11,588	10,455
	<u>51,386</u>	<u>45,277</u>	<u>150,611</u>	<u>135,656</u>
Real estate operating income	20,545	19,755	62,208	57,470
Other income (expense):				
Interest expense	(16,508)	(16,717)	(50,266)	(49,662)
Acquisition costs	(1,600)	—	(3,571)	(452)
Other income	270	289	886	875
Gain (loss) on extinguishment of debt	—	(238)	—	(280)
Gain from non-disposal activities	—	4	—	4
	<u>(17,838)</u>	<u>(16,662)</u>	<u>(52,951)</u>	<u>(49,515)</u>
Income from continuing operations	2,707	3,093	9,257	7,955
Discontinued operations:				
Income (loss) from operations of properties sold or held for sale	3,655	3,565	9,522	11,047
Income tax benefit (expense)	35	—	(1,138)	—
Gain on sale of real estate	56,639	—	56,639	7,942
Net income	63,036	6,658	74,280	26,944
Less: Net income attributable to noncontrolling interests in subsidiaries	(28)	(33)	(85)	(109)
Net income attributable to the controlling interests	<u>\$ 63,008</u>	<u>\$ 6,625</u>	<u>\$ 74,195</u>	<u>\$ 26,835</u>
Income from continuing operations attributable to the controlling interests	2,707	3,093	9,257	7,955
Gain from non-disposal activities	—	(4)	—	(4)
Continuing operations real estate depreciation and amortization	23,479	20,224	67,899	59,574
Funds from continuing operations ⁽¹⁾	<u>\$ 26,186</u>	<u>\$ 23,313</u>	<u>\$ 77,156</u>	<u>\$ 67,525</u>
Income (loss) from operations of properties sold or held for sale attributable to the controlling interests	3,627	3,532	9,437	10,938
Discontinued operations real estate depreciation and amortization	943	4,054	7,231	11,981
Funds from discontinued operations	<u>4,570</u>	<u>7,586</u>	<u>16,668</u>	<u>22,919</u>
Funds from operations ⁽¹⁾	<u>\$ 30,756</u>	<u>\$ 30,899</u>	<u>\$ 93,824</u>	<u>\$ 90,444</u>
Non-cash (gain) loss on extinguishment of debt	—	238	—	280
Tenant improvements	(2,469)	(2,863)	(6,789)	(7,206)
External and internal leasing commissions capitalized	(3,859)	(3,387)	(7,207)	(7,422)
Recurring capital improvements	(2,148)	(1,377)	(5,911)	(4,240)
Straight-line rents, net	(715)	(1,099)	(1,958)	(2,519)
Non-cash fair value interest expense	145	760	515	2,319
Non real estate depreciation & amortization of debt costs	1,126	1,094	2,888	3,080
Amortization of lease intangibles, net	(329)	(413)	(1,020)	(1,380)
Amortization and expensing of restricted share and unit compensation	1,376	1,311	4,121	4,299
Real estate impairment	—	—	599	—
Funds available for distribution ⁽⁴⁾	<u>\$ 23,883</u>	<u>\$ 25,163</u>	<u>\$ 79,062</u>	<u>\$ 77,655</u>

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

Per share data attributable to the controlling interests:		Three Months Ended September 30,		Nine Months Ended September 30,	
		2011	2010	2011	2010
Income from continuing operations	(Basic)	\$ 0.04	\$ 0.05	\$ 0.14	\$ 0.13
	(Diluted)	\$ 0.04	\$ 0.05	\$ 0.14	\$ 0.13
Net income	(Basic)	\$ 0.95	\$ 0.11	\$ 1.12	\$ 0.43
	(Diluted)	\$ 0.95	\$ 0.10	\$ 1.12	\$ 0.43
Funds from continuing operations	(Basic)	\$ 0.40	\$ 0.37	\$ 1.17	\$ 1.10
	(Diluted)	\$ 0.40	\$ 0.37	\$ 1.17	\$ 1.10
Funds from operations	(Basic)	\$ 0.46	\$ 0.49	\$ 1.42	\$ 1.47
	(Diluted)	\$ 0.46	\$ 0.49	\$ 1.42	\$ 1.47
Dividends paid		\$0.4338	\$0.4325	\$1.3014	\$1.2975
Weighted average shares outstanding		66,017	62,894	65,953	61,332
Fully diluted weighted average shares outstanding		66,064	63,055	65,987	61,460

WASHINGTON REAL ESTATE INVESTMENT TRUST
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)
(Unaudited)

	September 30, 2011	December 31, 2010
Assets		
Land	\$ 472,812	\$ 381,338
Income producing property	<u>1,924,526</u>	<u>1,670,598</u>
	2,397,338	2,051,936
Accumulated depreciation and amortization	<u>(516,319)</u>	<u>(460,678)</u>
Net income producing property	1,881,019	1,591,258
Development in progress	<u>39,735</u>	<u>26,240</u>
Total real estate held for investment, net	1,920,754	1,617,498
Investment in real estate sold or held for sale	69,990	286,842
Cash and cash equivalents	40,751	78,767
Restricted cash	23,267	20,486
Rents and other receivables, net of allowance for doubtful accounts of \$8,122 and \$7,422 respectively	52,396	44,280
Prepaid expenses and other assets	125,689	92,040
Other assets related to property sold or held for sale	<u>3,505</u>	<u>27,968</u>
Total assets	<u>\$ 2,236,352</u>	<u>\$ 2,167,881</u>
Liabilities		
Notes payable	\$ 657,378	\$ 753,587
Mortgage notes payable	428,909	361,860
Lines of credit	193,000	100,000
Accounts payable and other liabilities	55,879	49,138
Advance rents	13,393	11,099
Tenant security deposits	8,751	7,390
Other liabilities related to property sold or held for sale	<u>19,229</u>	<u>23,949</u>
Total liabilities	<u>1,376,539</u>	<u>1,307,023</u>
Equity		
Shareholders' equity		
Shares of beneficial interest, \$0.01 par value; 100,000 shares authorized; 66,066 and 65,870 shares issued and outstanding, respectively	661	659
Additional paid-in capital	1,136,240	1,127,825
Distributions in excess of net income	(281,930)	(269,935)
Accumulated other comprehensive income	<u>(160)</u>	<u>(1,469)</u>
Total shareholders' equity	854,811	857,080
Noncontrolling interests in subsidiaries	<u>5,002</u>	<u>3,778</u>
Total equity	859,813	860,858
Total liabilities and equity	<u>\$ 2,236,352</u>	<u>\$ 2,167,881</u>

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

The following tables contain reconciliations of net income to same-store net operating income for the periods presented:

Quarter Ended September 30, 2011	Multifamily	Office	Medical Office	Retail	Industrial	Total
Same-store net operating income ⁽³⁾	\$ 7,714	\$20,558	\$7,658	\$7,570	\$ —	\$ 43,500
Add: Net operating income from non-same-store properties ⁽³⁾	—	2,461	37	1,863	—	4,361
Total net operating income ⁽²⁾	\$ 7,714	\$23,019	\$7,695	\$9,433	\$ —	\$ 47,861
Add/(deduct):						
Other income						270
Acquisition costs						(1,600)
Interest expense						(16,508)
Depreciation and amortization						(23,479)
General and administrative expenses						(3,837)
Income (loss) from operations of properties sold or held for sale						3,655
Income tax benefit on sale of real estate						35
Gain on sale of real estate						56,639
Net income						63,036
Less: Net income attributable to noncontrolling interests in subsidiaries						(28)
Net income attributable to the controlling interests						\$ 63,008

Quarter Ended September 30, 2010	Multifamily	Office	Medical Office	Retail	Industrial	Total
Same-store net operating income ⁽³⁾	\$ 7,636	\$20,289	\$7,480	\$7,837	\$ —	\$ 43,242
Add: Net operating income from non-same-store properties ⁽³⁾	—	—	(122)	—	—	(122)
Total net operating income ⁽²⁾	\$ 7,636	\$20,289	\$7,358	\$7,837	\$ —	\$ 43,120
Add/(deduct):						
Other income						289
Acquisition costs						—
Interest expense						(16,717)
Depreciation and amortization						(20,224)
General and administrative expenses						(3,141)
Loss on extinguishment of debt						(238)
Gain from non-disposal activities						4
Income (loss) from operations of properties sold or held for sale						3,565
Net income						6,658
Less: Net income attributable to noncontrolling interests in subsidiaries						(33)
Net income attributable to the controlling interests						\$ 6,625

The following table contains a reconciliation of net income attributable to the controlling interests to core funds from operations for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income attributable to the controlling interests	\$ 63,008	\$ 6,625	\$ 74,195	\$26,835
Add/(deduct):				
Real estate depreciation and amortization	23,479	20,224	67,899	59,574
Gain from non-disposal activities	—	(4)	—	(4)
Discontinued operations:				
Gain on sale of real estate	(56,639)	—	(56,639)	(7,942)
Income tax expense (benefit)	(35)	—	1,138	—
Real estate depreciation and amortization	943	4,054	7,231	11,981
Funds from operations ⁽¹⁾	30,756	30,899	93,824	90,444
Add/(deduct):				
Real estate impairment	—	—	599	—
Loss (gain) on extinguishment of debt	—	238	—	280
Acquisition costs	1,600	(12)	3,571	452
Core funds from operations ⁽¹⁾	<u>\$ 32,356</u>	<u>\$31,125</u>	<u>\$ 97,994</u>	<u>\$91,176</u>

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2011	2010	2011	2010	
Per share data attributable to the controlling interests:					
Funds from operations	(Basic)	\$ 0.46	\$ 0.49	\$ 1.42	\$ 1.47
	(Diluted)	\$ 0.46	\$ 0.49	\$ 1.42	\$ 1.47
Core FFO	(Basic)	\$ 0.48	\$ 0.49	\$ 1.48	\$ 1.49
	(Diluted)	\$ 0.48	\$ 0.49	\$ 1.48	\$ 1.48
Weighted average shares outstanding		66,017	62,894	65,953	61,332
Fully diluted weighted average shares outstanding		66,064	63,055	65,987	61,460

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Third Quarter 2011

Supplemental Operating and Financial Data

for the Quarter Ended September 30, 2011

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Washington Real Estate Investment Trust (“WRIT”) is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington metro region. WRIT is diversified, as it invests in office, medical office, retail, and multifamily properties and land for development.

In the third quarter of 2011, WRIT acquired three assets totaling 767,000 square feet and \$233 million: Olney Village Center, Braddock Metro Center and John Marshall II.

WRIT acquired Olney Village Center, a 199,000 square foot grocery-anchored shopping center in Olney, Maryland for \$58.0 million. The property is anchored by Shoppers Food Warehouse and is 98.7% leased to 32 tenants, including national retailers T.J. Maxx, HomeGoods, and SunTrust Bank. The center was built in 1979 and underwent a major renovation in 2003. WRIT assumed a \$22.6 million mortgage bearing interest at 6.37% per annum and maturing in 2023 and funded the remaining balance of \$35.4 million using available cash and its line of credit. WRIT expects to achieve a first year unleveraged yield of 6.7% on a cash basis.

WRIT acquired Braddock Metro Center, a 345,000 square foot office campus on the Metro in Alexandria, Virginia, for \$101 million. The campus consists of four office buildings and a two-level underground parking garage and is located in the northwest quadrant of Old Town Alexandria, immediately adjacent to the Braddock Road Metro Station (Yellow and Blue lines), one stop from Reagan National Airport. The properties were built in 1985 and are 92% leased to 13 office tenants including associations and government contractors. WRIT funded the acquisition with cash proceeds from its recent sale transactions of the industrial portfolio. WRIT expects to achieve a first year unleveraged yield of 6.9% on a cash basis.

WRIT acquired John Marshall II, a nine story, 223,000 square foot office building situated at the Tysons Central 7 Metro Station in Tysons Corner, Virginia, for \$73.5 million. The property is 100% leased to Booz Allen Hamilton Inc. through January 2016 and serves as its worldwide headquarters. It was built in 1996 and renovated in 2010 and is located at 8283 Greensboro Drive. The Tysons Central 7 Metro Station is one of four metro stations currently under construction that will serve Tysons Corner upon the Dulles Corridor Metrorail’s anticipated completion in 2013. WRIT assumed a \$54.1 million mortgage bearing interest at 5.79% per annum and maturing in 2016. WRIT funded the remaining balance of \$19.4 million using proceeds from the recent sales of its industrial assets and its line of credit and expects to achieve a first year unleveraged yield of 6.7% on a cash basis.

In the third quarter as well as subsequent to quarter end, WRIT completed four separate sale transactions involving an aggregate of approximately 2.6 million square feet of its industrial portfolio along with two office assets. The aggregate sales proceeds for the four transactions were \$280.3 million. The first sale transaction included 8880 Gorman Road, Alban Business Center, Dulles South IV, Fullerton Business Center, and Hampton Overlook. The second transaction included Northern Virginia Industrial Park I and Pickett Industrial Park. The third transaction included 270 Technology Park, 8900 Telegraph Road, 9950 Business Parkway, Albemarle Point, Fullerton Industrial Center, Hampton South, and Sully Square, as well as the Albemarle Point and Crescent office buildings. The fourth transaction included Northern Virginia Industrial Park II. The buyers are affiliates of a joint venture between AREA Property Partners (AREA) and the Adler Group (Adler).

WRIT’s remaining two industrial properties, 6100 Columbia Park Road and Dulles Business Park, are under one additional sale contract with AREA/Adler which is projected to close on or about November 1, 2011 for approximately \$69.7 million. The aggregate sales proceeds for the entire industrial portfolio are \$350 million.

WRIT signed commercial leases for 242,000 square feet with an average lease term of 4.7 years. The average rental rate increase on new and renewal leases was 11.7% on a GAAP basis and 2.6% on a cash basis. Commercial tenant improvement costs were \$14.90 per square foot and leasing costs were \$9.54 per square foot for the quarter.

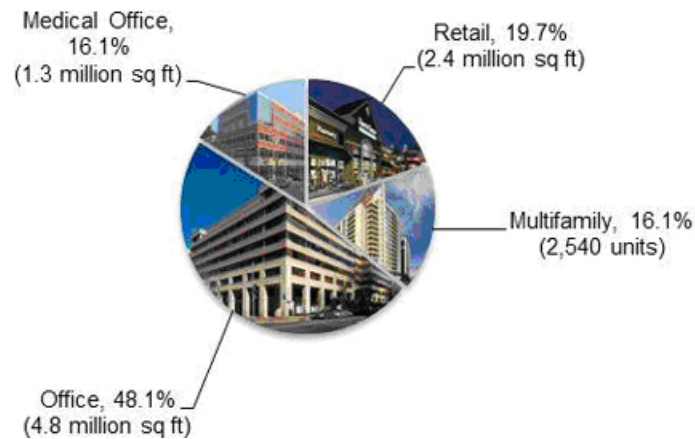
Net Operating Income Contribution by Sector*

Third Quarter 2011

As of September 30, 2011, WRIT owned a diversified portfolio of 74 properties totaling approximately 10 million square feet of commercial space and 2,540 residential units, and land held for development. These 74 properties consist of 26 office properties, 3 industrial/flex properties, 18 medical office properties, 16 retail centers and 11 multifamily properties. WRIT shares are publicly traded on the New York Stock Exchange (NYSE:WRE).

With investments in the office, medical office, retail and multifamily segments, WRIT is uniquely diversified. This balanced portfolio provides stability during market fluctuations in specific property types.

Net Operating Income Contribution by Sector



* Excludes discontinued operations:

Held for sale and sold properties: Industrial Portfolio; The Crescent and Albemarle office buildings

Certain statements in our earnings release and on our conference call 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, the potential for federal government budget reductions, changes in general and local economic and real estate market conditions, the timing and pricing of lease transactions, the effect of the current credit and financial market conditions, the availability and cost of capital, fluctuations in interest rates, tenants’ financial conditions, levels of competition, the effect of government regulation, the impact of newly adopted accounting principles, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2010 Form 10-K and third quarter 2011 Form 10-Q. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Supplemental Financial and Operating Data
Table of Contents
September 30, 2011

<u>Schedule</u>	<u>Page</u>
<u>Key Financial Data</u>	
<u>Consolidated Statements of Operations</u>	4
<u>Consolidated Balance Sheets</u>	5
<u>Funds From Operations and Funds Available for Distribution</u>	6
<u>Adjusted Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)</u>	7
<u>Capital Analysis</u>	
<u>Long-Term Debt Analysis</u>	8-9
<u>Debt Covenant Compliance</u>	10
<u>Capital Analysis</u>	11
<u>Portfolio Analysis</u>	
<u>Same-Store Portfolio Net Operating Income (NOI) Growth & Rental Rate Growth</u>	12
<u>Same-Store Portfolio Net Operating Income (NOI) Summary</u>	13
<u>Same-Store Portfolio Net Operating Income (NOI) Detail for the Quarter</u>	14-15
<u>Net Operating Income (NOI) by Region</u>	16
<u>Same-Store Portfolio & Overall Physical Occupancy Levels by Sector</u>	17
<u>Same-Store Portfolio & Overall Economic Occupancy Levels by Sector</u>	18
<u>Tenant Analysis</u>	
<u>Commercial Leasing Summary</u>	19-20
<u>10 Largest Tenants - Based on Annualized Base Rent</u>	21
<u>Industry Diversification</u>	22
<u>Lease expirations as of September 30, 2011</u>	23
<u>Growth and Strategy</u>	
<u>2011 Acquisition and Disposition Summary</u>	24
<u>Appendix</u>	
<u>Schedule of Properties</u>	25-26
<u>Supplemental Definitions</u>	27

Consolidated Statements of Operations*(In thousands, except per share data)**(Unaudited)***WRIT**WASHINGTON
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	Three Months Ended				
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
OPERATING RESULTS					
Real estate rental revenue	\$ 71,931	\$ 71,684	\$ 69,204	\$ 65,364	\$ 65,032
Real estate expenses	<u>(24,070)</u>	<u>(23,801)</u>	<u>(23,253)</u>	<u>(21,033)</u>	<u>(21,912)</u>
	47,861	47,883	45,951	44,331	43,120
Real estate depreciation and amortization	<u>(23,479)</u>	<u>(22,526)</u>	<u>(21,894)</u>	<u>(20,492)</u>	<u>(20,224)</u>
Income from real estate	24,382	25,357	24,057	23,839	22,896
Other income	270	310	306	318	289
Acquisition costs	(1,600)	(322)	(1,649)	(709)	—
Gain from non-disposal activities	—	—	—	3	4
Gain (loss) on extinguishment of debt	—	—	—	(8,896)	(238)
Interest expense	(16,508)	(16,865)	(16,893)	(17,567)	(16,717)
General and administrative	<u>(3,837)</u>	<u>(4,049)</u>	<u>(3,702)</u>	<u>(3,951)</u>	<u>(3,141)</u>
Income (loss) from continuing operations	2,707	4,431	2,119	(6,963)	3,093
Discontinued operations:					
Income (loss) from operations of properties sold or held for sale	3,655	3,298	2,569	3,921	3,565
Income tax benefit (expense)	35	(1,173)	—	—	—
Gain on sale of real estate	<u>56,639</u>	<u>—</u>	<u>—</u>	<u>13,657</u>	<u>—</u>
Income from discontinued operations	60,329	2,125	2,569	17,578	3,565
Net income	63,036	6,556	4,688	10,615	6,658
Less: Net income from noncontrolling interests	<u>(28)</u>	<u>(34)</u>	<u>(23)</u>	<u>(24)</u>	<u>(33)</u>
Net income attributable to the controlling interests	<u>\$ 63,008</u>	<u>\$ 6,522</u>	<u>\$ 4,665</u>	<u>\$ 10,591</u>	<u>\$ 6,625</u>
Per Share Data					
Net income attributable to the controlling interests	\$ 0.95	\$ 0.10	\$ 0.07	\$ 0.16	\$ 0.10
Fully diluted weighted average shares outstanding	66,064	65,989	65,907	64,536	63,055
Percentage of Revenues:					
Real estate expenses	33.5%	33.2%	33.6%	32.2%	33.7%
General and administrative	5.3%	5.6%	5.3%	6.0%	4.8%
Ratios:					
Adjusted EBITDA / Interest expense	2.9x	3.0x	2.8x	2.7x	2.8x
Income from continuing operations attributable to the controlling interest/Total real estate revenue	3.8%	6.2%	3.1%	(10.7)%	4.8%
Net income attributable to the controlling interest/Total real estate revenue	87.6%	9.1%	6.7%	16.2%	10.2%

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

Consolidated Balance Sheets

 (In thousands)
 (Unaudited)

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	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Assets					
Land	\$ 472,812	\$ 424,647	\$ 424,647	\$ 381,338	\$ 352,522
Income producing property	1,924,526	1,754,493	1,744,993	1,670,598	1,608,413
	2,397,338	2,179,140	2,169,640	2,051,936	1,960,935
Accumulated depreciation and amortization	(516,319)	(497,738)	(479,090)	(460,678)	(443,077)
Net income producing property	1,881,019	1,681,402	1,690,550	1,591,258	1,517,858
Development in progress, including land held for development	39,735	39,413	26,263	26,240	26,103
Total real estate held for investment, net	1,920,754	1,720,815	1,716,813	1,617,498	1,543,961
Investment in real estate held for sale, net	69,990	240,437	284,052	286,842	322,227
Cash and cash equivalents	40,751	42,886	12,480	78,767	262,413
Restricted cash	23,267	22,311	23,083	20,486	18,767
Rents and other receivables, net of allowance for doubtful accounts	52,396	48,472	46,864	44,280	43,814
Prepaid expenses and other assets	125,689	99,356	104,093	92,040	88,020
Other assets related to properties sold or held for sale	3,505	12,899	28,827	27,968	31,777
Total assets	<u>\$2,236,352</u>	<u>\$2,187,176</u>	<u>\$2,216,212</u>	<u>\$2,167,881</u>	<u>\$2,310,979</u>
Liabilities and Equity					
Notes payable	\$ 657,378	\$ 659,934	\$ 753,692	\$ 753,587	\$ 930,201
Mortgage notes payable	428,909	360,493	361,189	361,860	362,632
Lines of credit/short-term note payable	193,000	245,000	160,000	100,000	100,000
Accounts payable and other liabilities	55,879	54,101	57,040	49,138	51,280
Advance rents	13,393	12,372	11,549	11,099	9,478
Tenant security deposits	8,751	8,027	8,024	7,390	7,376
Other liabilities related to properties sold or held for sale	19,229	24,528	24,902	23,949	25,152
Total Liabilities	<u>1,376,539</u>	<u>1,364,455</u>	<u>1,376,396</u>	<u>1,307,023</u>	<u>1,486,119</u>
Equity					
Shares of beneficial interest, \$0.01 par value; 100,000 shares authorized	661	661	660	659	642
Additional paid-in capital	1,136,240	1,133,823	1,130,297	1,127,825	1,074,308
Distributions in excess of net income	(281,930)	(316,134)	(293,860)	(269,935)	(251,964)
Accumulated other comprehensive income (loss)	(160)	(636)	(1,057)	(1,469)	(1,906)
Total shareholders' equity	854,811	817,714	836,040	857,080	821,080
Noncontrolling interests in subsidiaries	5,002	5,007	3,776	3,778	3,780
Total equity	<u>859,813</u>	<u>822,721</u>	<u>839,816</u>	<u>860,858</u>	<u>824,860</u>
Total liabilities and equity	<u>\$2,236,352</u>	<u>\$2,187,176</u>	<u>\$2,216,212</u>	<u>\$2,167,881</u>	<u>\$2,310,979</u>
Total Debt / Total Market Capitalization	<u>0.41:1</u>	<u>0.37:1</u>	<u>0.39:1</u>	<u>0.38:1</u>	<u>0.41:1</u>

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

Funds from Operations and Funds Available for Distribution
(In thousands, except per share data)
(Unaudited)

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	Three Months Ended				
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Funds from operations⁽¹⁾					
Net income (loss) attributable to the controlling interests	\$ 63,008	\$ 6,522	\$ 4,665	\$ 10,591	\$ 6,625
Real estate depreciation and amortization	23,479	22,526	21,894	20,492	20,224
Gain from non-disposal activities	—	—	—	(3)	(4)
Discontinued operations:					
Gain on sale of real estate	(56,639)	—	—	(13,657)	—
Income tax expense (benefit)	(35)	1,173	—	—	—
Real estate depreciation and amortization	943	2,933	3,355	3,699	4,054
Funds from operations (FFO)	<u>\$ 30,756</u>	<u>\$33,154</u>	<u>\$29,914</u>	<u>\$ 21,122</u>	<u>\$30,899</u>
Loss (gain) on extinguishment of debt	—	—	—	8,896	238
Real estate impairment	—	—	599	—	—
Acquisition costs	1,600	322	1,649	709	(12)
Core FFO⁽¹⁾	<u>\$ 32,356</u>	<u>\$33,476</u>	<u>\$32,162</u>	<u>\$ 30,727</u>	<u>\$31,125</u>
Allocation to participating securities ⁽²⁾	(385)	(38)	(46)	(47)	(21)
FFO per share - basic	\$ 0.46	\$ 0.50	\$ 0.45	\$ 0.33	\$ 0.49
FFO per share - fully diluted	\$ 0.46	\$ 0.50	\$ 0.45	\$ 0.33	\$ 0.49
Core FFO per share - fully diluted	\$ 0.48	\$ 0.51	\$ 0.49	\$ 0.48	\$ 0.49
Funds available for distribution⁽¹⁾					
FFO	\$ 30,756	\$33,154	\$29,914	\$ 21,122	\$30,899
Non-cash (gain)/loss on extinguishment of debt	—	—	—	2,922	238
Tenant improvements	(2,469)	(1,950)	(2,370)	(6,373)	(2,863)
Leasing commissions and incentives	(3,859)	(1,116)	(2,232)	(2,089)	(3,387)
Recurring capital improvements	(2,148)	(3,072)	(691)	(1,698)	(1,377)
Straight-line rent, net	(715)	(586)	(657)	(951)	(1,099)
Non-cash fair value interest expense	145	191	179	345	760
Non-real estate depreciation and amortization	1,126	888	874	889	1,094
Amortization of lease intangibles, net	(329)	(413)	(278)	(437)	(413)
Amortization and expensing of restricted share and unit compensation	1,376	1,488	1,257	1,553	1,311
Real estate impairment	—	—	599	—	—
Funds available for distribution (FAD)	<u>\$ 23,883</u>	<u>\$28,584</u>	<u>\$26,595</u>	<u>\$ 15,283</u>	<u>\$25,163</u>
Cash loss (gain) on extinguishment of debt	—	—	—	5,974	—
Acquisition costs	1,600	322	1,649	709	(12)
Core FAD⁽¹⁾	<u>\$ 25,483</u>	<u>\$28,906</u>	<u>\$28,244</u>	<u>\$ 21,966</u>	<u>\$25,151</u>
Allocation to participating securities ⁽²⁾	(385)	(38)	(46)	(47)	(21)
FAD per share - basic	\$ 0.36	\$ 0.43	\$ 0.40	\$ 0.24	\$ 0.40
FAD per share - fully diluted	\$ 0.36	\$ 0.43	\$ 0.40	\$ 0.24	\$ 0.40
Core FAD per share - fully diluted	\$ 0.38	\$ 0.44	\$ 0.43	\$ 0.34	\$ 0.40
Common dividend per share	\$ 0.4338	\$0.4338	\$0.4338	\$ 0.4338	\$0.4325
Average shares - basic	66,017	65,954	65,885	64,536	62,894
Average shares - fully diluted	66,064	65,989	65,907	64,536	63,055

⁽¹⁾ See "Supplemental Definitions" on page 27 of this supplemental for the definitions of FFO, Core FFO, FAD and Core FAD.

⁽²⁾ Adjustment to the numerators for FFO, Core FFO, FAD and Core FAD per share calculations when applying the two-class method for calculating EPS.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
(In thousands)
(Unaudited)

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	Three Months Ended				
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Adjusted EBITDA⁽¹⁾					
Net income attributable to the controlling interests	\$ 63,008	\$ 6,522	\$ 4,665	\$ 10,591	\$ 6,625
Add:					
Interest expense, including discontinued operations	16,739	17,097	17,126	17,801	17,100
Real estate depreciation and amortization, including discontinued operations	24,422	25,459	25,249	24,191	24,278
Income tax expense (benefit)	(27)	1,173	—	—	—
Real estate impairment	—	—	599	—	—
Non-real estate depreciation	243	248	268	279	277
Less:					
Gain on sale of real estate	(56,639)	—	—	(13,657)	—
Loss (gain) on extinguishment of debt	—	—	—	8,896	238
Gain from non-disposal activities	—	—	—	(3)	(4)
Adjusted EBITDA	<u>\$ 47,746</u>	<u>\$50,499</u>	<u>\$47,907</u>	<u>\$ 48,098</u>	<u>\$48,514</u>

- (1) Adjusted EBITDA is earnings before interest expense, taxes, depreciation, amortization, gain on sale of real estate, gain/loss on extinguishment of debt and gain from non-disposal activities. We consider Adjusted EBITDA to be an appropriate supplemental performance measure because it permits investors to view income from operations without the effect of depreciation, the cost of debt or non-operating gains and losses. Adjusted EBITDA is a non-GAAP measure.

	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Balances Outstanding					
Secured					
Conventional fixed rate ⁽¹⁾	\$ 446,715	\$ 378,469	\$ 379,333	\$ 380,171	\$ 381,109
Secured total	446,715	378,469	379,333	380,171	381,109
Unsecured					
Fixed rate bonds and notes	657,378	659,934	753,692	753,587	930,201
Credit facility	193,000	245,000	160,000	100,000	100,000
Unsecured total	850,378	904,934	913,692	853,587	1,030,201
Total	<u>\$1,297,093</u>	<u>\$1,283,403</u>	<u>\$1,293,025</u>	<u>\$1,233,758</u>	<u>\$1,411,310</u>

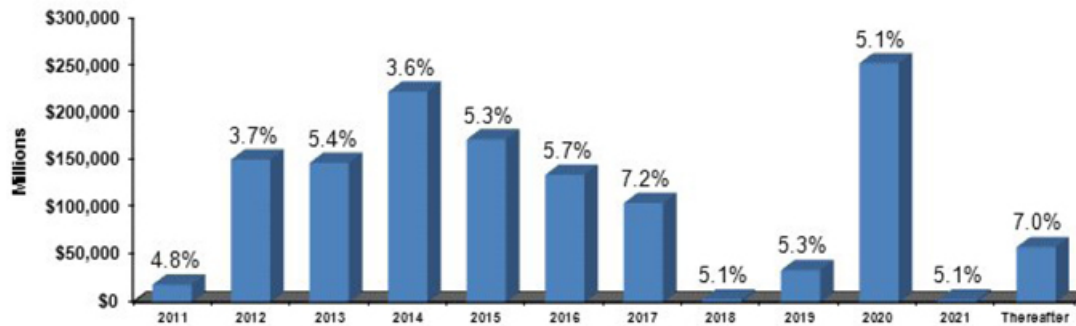
Average Interest Rates

Secured					
Conventional fixed rate	5.9%	5.9%	5.9%	5.9%	5.9%
Secured total	5.9%	5.9%	5.9%	5.9%	5.9%
Unsecured					
Fixed rate bonds	5.4%	5.4%	5.4%	5.4%	5.5%
Credit facilities ⁽²⁾	2.1%	1.4%	1.8%	2.5%	2.5%
Unsecured total	4.6%	4.3%	4.8%	5.1%	5.2%
Average	<u>5.1%</u>	<u>4.8%</u>	<u>5.1%</u>	<u>5.4%</u>	<u>5.4%</u>

Note: The current balances outstanding of the secured and unsecured fixed rate bonds and notes are shown net of discounts/premiums in the amount of \$4.4 million and \$2.6 million, respectively.

- ⁽¹⁾ Balances include the mortgage notes secured by Dulles Business Park, a property which held for sale as of September 30, 2011, and has been reclassified to "Other liabilities related to properties sold or held for sale." We repaid this mortgage note on October 7, 2011.
- ⁽²⁾ On December 1, 2009, we borrowed \$100.0 million on our lines of credit in order to prepay a \$100.0 million term loan. From February 20, 2010 through June 30, 2011, an interest rate swap effectively fixed the interest rate at 2.525%. From July 1, 2011 through November 1, 2011, the interest rate swap effectively fixes the interest rate at 2.845%.

Debt Maturity Schedule
Annual Expirations and Weighted Average Interest Rates



Year	Future Maturities of Debt			Total Debt	Average Interest Rate
	Secured Debt	Unsecured Debt	Credit Facilities		
2011	\$ 18,952 ⁽¹⁾	\$ —	—	\$ 18,952	4.8%
2012	27,000	50,000	74,000	151,000	3.7%
2013	87,580	60,000	—	147,580	5.4%
2014	3,724	100,000	119,000	222,724	3.6%
2015	22,390	150,000	—	172,390	5.3%
2016	134,943	—	—	134,943	5.7%
2017	104,953	—	—	104,953	7.2%
2018	3,277	—	—	3,277	5.1%
2019	34,060	—	—	34,060	5.3%
2020	2,818	250,000	—	252,818	5.1%
2021	2,997	—	—	2,997	5.1%
Thereafter	8,443	50,000	—	58,443	7.0%
Total maturities	\$ 451,137	\$660,000	\$193,000	\$1,304,137	5.1%

Weighted average maturity = 5.0 years

⁽¹⁾ WRIT prepaid the remaining principal on the Dulles Business Park mortgages subsequent to the end of Q3 2011.

	Unsecured Notes Payable		Unsecured Line of Credit #1 (\$75.0 million)		Unsecured Line of Credit #2 (\$400.0 million)	
	Quarter Ended September 30, 2011	Covenant	Quarter Ended September 30, 2011	Covenant	Quarter Ended September 30, 2011	Covenant
% of Total Indebtedness to Total Assets ⁽¹⁾	43.7%	£ 65.0%	N/A	N/A	N/A	N/A
Ratio of Income Available for Debt Service to Annual Debt Service	2.9	³ 1.5	N/A	N/A	N/A	N/A
% of Secured Indebtedness to Total Assets ⁽¹⁾	14.6%	£ 40.0%	N/A	N/A	N/A	N/A
Ratio of Total Unencumbered Assets ⁽²⁾ to Total Unsecured Indebtedness	2.5	³ 1.5	N/A	N/A	N/A	N/A
Tangible Net Worth ⁽³⁾	N/A	N/A	\$1.1 billion	³ \$808.6 million	\$820.6 million	³ \$671.9 million
% of Total Liabilities to Gross Asset Value ⁽⁵⁾	N/A	N/A	53.6%	£ 60.0%	52.1%	£ 60.0%
% of Secured Indebtedness to Gross Asset Value ⁽⁵⁾	N/A	N/A	16.7%	£ 35.0%	16.2%	£ 35.0%
Ratio of EBITDA ⁽⁴⁾ to Fixed Charges ⁽⁶⁾	N/A	N/A	2.59	³ 1.75	2.59	³ 1.50
Ratio of Unencumbered Pool Value ⁽⁸⁾ to Unsecured Indebtedness	N/A	N/A	2.44	³ 1.67	2.41	³ 1.67
Ratio of Unencumbered Net Operating Income to Unsecured Interest Expense	N/A	N/A	N/A	N/A	3.43	³ 2.00
% of Development in Progress to Gross Asset Value ⁽⁵⁾	N/A	N/A	1.5%	£ 30.0%	N/A	N/A
% of Non-Wholly Owned Assets ⁽⁷⁾ to Gross Asset Value ⁽⁵⁾	N/A	N/A	1.8%	£ 15.0%	N/A	N/A
Ratio of Investments ⁽⁹⁾ to Gross Asset Value ⁽⁵⁾	N/A	N/A	N/A	N/A	1.5%	£ 15.0%

- (1) Total Assets is calculated by applying a capitalization rate of 7.50% to the EBITDA⁽⁴⁾ from the last four consecutive quarters, excluding EBITDA from acquired, disposed, and non-stabilized development properties.
- (2) Total Unencumbered Assets is calculated by applying a capitalization rate of 7.50% to the EBITDA⁽⁴⁾ from unencumbered properties from the last four consecutive quarters, excluding EBITDA from acquired, disposed, and non-stabilized development properties.
- (3) Tangible Net Worth is defined as shareholders equity less accumulated depreciation at the commitment start date plus current accumulated depreciation.
- (4) EBITDA is defined in our debt covenants as earnings before minority interests, depreciation, amortization, interest expense, income tax expense, and extraordinary and nonrecurring gains and losses.
- (5) Gross Asset Value is calculated by applying a capitalization rate to the annualized EBITDA⁽⁴⁾ from the most recently ended quarter, excluding EBITDA from disposed properties and current quarter acquisitions. To this amount, the purchase price of current quarter acquisitions, cash and cash equivalents and development in progress is added.
- (6) Fixed Charges consist of interest expense, principal payments, ground lease payments and replacement reserve payments.
- (7) Non-Wholly Owned Assets is calculated by applying a capitalization rate of 7.50% to the EBITDA⁽⁴⁾ from properties subject to a joint operating agreement (i.e. NVIP I&II). We add to this amount the development in progress subject to a joint operating agreement (i.e. 4661 Kenmore Avenue).
- (8) Unencumbered Pool Value is calculated by applying a capitalization rate of 7.75% to the net operating income from unencumbered properties owned for the entire quarter. To this we add the purchase price of unencumbered acquisitions during the current quarter and, for Unsecured Line of Credit #1 only, development in progress.
- (9) Investments is defined as development in progress, including land held for development, plus budgeted development costs upon commencement of construction, if any.

	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Market Data					
Shares Outstanding	66,066	66,017	65,941	65,870	64,093
Market Price per Share	\$ 28.18	\$ 32.52	\$ 31.09	\$ 30.99	\$ 31.73
Equity Market Capitalization	\$1,861,740	\$2,146,873	\$2,050,106	\$2,041,311	\$2,033,671
Total Debt ⁽¹⁾	\$1,297,093	\$1,283,403	\$1,293,025	\$1,233,758	\$1,411,310
Total Market Capitalization	\$3,158,833	\$3,430,276	\$3,343,131	\$3,275,069	\$3,444,981
Total Debt to Market Capitalization	<u>0.41:1</u>	<u>0.37:1</u>	<u>0.39:1</u>	<u>0.38:1</u>	<u>0.41:1</u>
Earnings to Fixed Charges ⁽²⁾	1.1x	1.3x	1.1x	0.6x	1.2x
Debt Service Coverage Ratio ⁽³⁾	2.7x	2.8x	2.6x	2.5x	2.7x
Dividend Data					
Total Dividends Paid	\$ 28,641	\$ 28,621	\$ 28,587	\$ 28,438	\$ 27,485
Common Dividend per Share	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43
Payout Ratio (Core FFO per share basis)	90.4%	85.0%	88.5%	90.4%	88.3%
Payout Ratio (Core FAD per share basis)	114.1%	98.6%	100.9%	127.6%	108.1%
Payout Ratio (FAD per share basis)	120.5%	100.9%	108.4%	180.7%	108.1%

⁽¹⁾ "Total Debt" balance includes a \$17.8 million mortgage notes payable secured by Dulles Business Park, that has been reclassified to "Other liabilities related to properties sold or held for sale". We repaid this mortgage note on October 7, 2011.

⁽²⁾ 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 attributable to the controlling interests plus fixed charges, less capitalized interest. Fixed charges consist of interest expense, including amortized costs of debt issuance, plus interest costs capitalized.

⁽³⁾ Debt service coverage ratio is computed by dividing Adjusted EBITDA (see page 7) by interest expense and principal amortization.

Same-Store Portfolio Net Operating Income (NOI) Growth & Rental rate Growth
2011 vs. 2010

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	Third Quarter ⁽¹⁾		Year to Date ⁽²⁾	
	NOI Growth	Rental Rate Growth	NOI Growth	Rental Rate Growth
Cash Basis:				
Multifamily	1.2%	4.4%	6.9%	3.8%
Office Buildings	4.4%	2.0%	2.1%	2.2%
Medical Office Buildings	1.4%	3.1%	1.2%	3.3%
Retail Centers	(3.2)%	1.0%	(3.6)%	1.1%
Overall Same-Store Portfolio	1.9%	2.5%	1.7%	2.5%
	Third Quarter ⁽¹⁾		Year to Date ⁽²⁾	
	NOI Growth	Rental Rate Growth	NOI Growth	Rental Rate Growth
GAAP Basis:				
Multifamily	1.0%	4.3%	6.7%	3.8%
Office Buildings	1.3%	1.0%	(0.5)%	1.1%
Medical Office Buildings	2.4%	3.2%	1.8%	3.6%
Retail Centers	(3.4)%	0.9%	(3.5)%	1.2%
Overall Same-Store Portfolio	0.6%	2.0%	0.6%	2.1%

⁽¹⁾ Non same-store properties were:

Acquisitions:

Office - 1140 Connecticut Avenue, 1227 25th Street, Braddock Metro Center and John Marshall II.

Retail - Gateway Overlook, Olney Village Center.

Medical Office - Lansdowne Medical Office Building.

Held for sale and sold properties:

Office - Dulles Station, Phase I.

Industrial/Office - Industrial Portfolio (see page 27 of this Supplement).

⁽²⁾ Non same-store properties were:

Acquisitions:

Office - Quantico Corporate Center, 1140 Connecticut Avenue, 1227 25th Street, Braddock Metro Center and John Marshall II.

Retail - Gateway Overlook, Olney Village Center.

Medical Office - Lansdowne Medical Office Building.

Held for sale and sold properties:

Office - Parklawn Plaza, Lexington, Saratoga, Ridges, and Dulles Station, Phase I.

Industrial/Office - Charleston, Ammendale I & II, Amvax, and the Industrial Portfolio (see page 27 of this Supplement).

Same-Store Portfolio Net Operating Income (NOI) Summary
(In thousands)

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	Three Months Ended September 30,		
	2011	2010	% Change
Cash Basis:			
Multifamily	\$ 7,519	\$ 7,432	1.2%
Office Buildings	20,108	19,261	4.4%
Medical Office Buildings	7,376	7,272	1.4%
Retail Centers	7,455	7,698	(3.2)%
	<u>\$42,458</u>	<u>\$41,663</u>	<u>1.9%</u>
GAAP Basis:			
Multifamily	\$ 7,714	\$ 7,636	1.0%
Office Buildings	20,558	20,289	1.3%
Medical Office Buildings	7,658	7,480	2.4%
Retail Centers	7,570	7,837	(3.4)%
	<u>\$43,500</u>	<u>\$43,242</u>	<u>0.6%</u>

Same-Store Portfolio Net Operating Income (NOI) Detail
(In thousands)



	Three Months Ended September 30, 2011						Total
	Multifamily	Office	Medical Office	Retail	Industrial/Flex	Corporate and Other	
Real estate rental revenue							
Same-store portfolio	\$ 12,871	\$ 31,306	\$11,167	\$10,139	\$ —	—	\$ 65,483
Non same-store - acquired and in development ⁽¹⁾	—	3,903	184	2,361	—	—	6,448
Total	12,871	35,209	11,351	12,500	—	—	71,931
Real estate expenses							
Same-store portfolio	5,157	10,748	3,509	2,569	—	—	21,983
Non same-store - acquired and in development ⁽¹⁾	—	1,442	147	498	—	—	2,087
Total	5,157	12,190	3,656	3,067	—	—	24,070
Net Operating Income (NOI)							
Same-store portfolio	7,714	20,558	7,658	7,570	—	—	43,500
Non same-store - acquired and in development ⁽¹⁾	—	2,461	37	1,863	—	—	4,361
Total	\$ 7,714	\$ 23,019	\$ 7,695	\$ 9,433	\$ —	—	\$ 47,861
Same-store portfolio NOI GAAP basis (from above)	\$ 7,714	\$ 20,558	\$ 7,658	\$ 7,570	\$ —	—	\$ 43,500
Straight-line revenue, net for same-store properties	(3)	(295)	(196)	(57)	—	—	(551)
FAS 141 Min Rent	(192)	(274)	(96)	(77)	—	—	(639)
Amortization of lease intangibles for same-store properties	—	119	10	19	—	—	148
Same-store portfolio NOI, cash basis	\$ 7,519	\$ 20,108	\$ 7,376	\$ 7,455	\$ —	—	\$ 42,458
Reconciliation of NOI to net income							
Total NOI	\$ 7,714	\$ 23,019	\$ 7,695	\$ 9,433	\$ —	—	\$ 47,861
Other income	—	—	—	—	—	270	270
Acquisition costs	—	—	—	—	—	(1,600)	(1,600)
Interest expense	(1,719)	(2,405)	(1,251)	(420)	—	(10,713)	(16,508)
Depreciation and amortization	(3,175)	(12,772)	(3,828)	(3,170)	—	(534)	(23,479)
General and administrative	—	—	—	—	—	(3,837)	(3,837)
Discontinued operations ⁽²⁾	—	330	—	—	3,325	—	3,655
Income tax benefit (expense)	—	—	—	—	—	35	35
Gain on sale of real estate	—	—	—	—	—	56,639	56,639
Net Income	2,820	8,172	2,616	5,843	3,325	40,260	63,036
Net income attributable to noncontrolling interests	—	—	—	—	—	(28)	(28)
Net income attributable to the controlling interests	\$ 2,820	\$ 8,172	\$ 2,616	\$ 5,843	\$ 3,325	\$ 40,232	\$ 63,008

⁽¹⁾ Non same-store properties were:

Acquisitions:

Office - 1140 Connecticut Avenue, 1227 25th Street, Braddock Metro Center and John Marshall II.

Retail - Gateway Overlook.

Medical Office - Lansdowne Medical Office Building.

⁽²⁾ Discontinued operations included the following held for sale and sold properties:

Office - Dulles Station, Phase I.

Industrial/Office - Industrial Portfolio (see page 27 of this Supplement).

Same-Store Net Operating Income (NOI) Detail
(In thousands)



	Three Months Ended September 30, 2010						Total
	Multifamily	Office	Medical Office	Retail	Industrial/Flex	Corporate and Other	
Real estate rental revenue							
Same-store portfolio	\$ 12,434	\$ 31,740	\$ 10,979	\$ 9,865	\$ —	\$ —	\$ 65,018
Non same-store - acquired and in development ⁽¹⁾	—	—	14	—	—	—	14
Total	12,434	31,740	10,993	9,865	—	—	65,032
Real estate expenses							
Same-store portfolio	4,798	11,451	3,499	2,028	—	—	21,776
Non same-store - acquired and in development ⁽¹⁾	—	—	136	—	—	—	136
Total	4,798	11,451	3,635	2,028	—	—	21,912
Net Operating Income (NOI)							
Same-store portfolio	7,636	20,289	7,480	7,837	—	—	43,242
Non same-store - acquired and in development ⁽¹⁾	—	—	(122)	—	—	—	(122)
Total	<u>\$ 7,636</u>	<u>\$ 20,289</u>	<u>\$ 7,358</u>	<u>\$ 7,837</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 43,120</u>
Same-store portfolio NOI GAAP basis (from above)	\$ 7,636	\$ 20,289	\$ 7,480	\$ 7,837	\$ —	\$ —	\$ 43,242
Straight-line revenue, net for same-store properties	(12)	(691)	(121)	(71)	—	—	(895)
FAS 141 Min Rent	(192)	(321)	(98)	(79)	—	—	(690)
Amortization of lease intangibles for same-store properties	—	(16)	11	11	—	—	6
Same-store portfolio NOI, cash basis	<u>\$ 7,432</u>	<u>\$ 19,261</u>	<u>\$ 7,272</u>	<u>\$ 7,698</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41,663</u>
Reconciliation of NOI to net income							
Total NOI	\$ 7,636	\$ 20,289	\$ 7,358	\$ 7,837	\$ —	\$ —	\$ 43,120
Other income	—	—	—	—	—	289	289
Acquisition costs	—	—	—	—	—	—	—
Interest expense	(1,726)	(2,278)	(1,354)	(324)	—	(11,035)	(16,717)
Depreciation and amortization	(3,435)	(10,894)	(3,804)	(1,771)	—	(320)	(20,224)
General and administrative	—	—	—	—	—	(3,141)	(3,141)
Loss on extinguishment of debt	—	—	—	—	—	(238)	(238)
Gain from non-disposal activities	—	—	—	—	—	4	4
Discontinued operations ⁽²⁾	—	456	—	—	3,109	—	3,565
Gain on sale of real estate	—	—	—	—	—	—	—
Net income	2,475	7,573	2,200	5,742	3,109	(14,441)	6,658
Net income attributable to noncontrolling interests	—	—	—	—	—	(33)	(33)
Net income attributable to the controlling interests	<u>\$ 2,475</u>	<u>\$ 7,573</u>	<u>\$ 2,200</u>	<u>\$ 5,742</u>	<u>\$ 3,109</u>	<u>\$ (14,474)</u>	<u>\$ 6,625</u>

⁽¹⁾ Non same-store properties were:

Acquisitions:

Medical Office - Lansdowne Medical Office Building.

⁽²⁾ Discontinued operations included the following held for sale and sold properties:

Office - Dulles Station, Phase I and the Ridges.

Industrial/Office - Ammendale I & II, Amvax and the Industrial Portfolio (see page 27 of this Supplement).

**WRIT Portfolio
Maryland/Virginia/DC**

	Percentage of Q3 2011 GAAP NOI	Percentage of YTD 2011 GAAP NOI
DC		
Multifamily	4.0%	4.0%
Office	19.1%	19.8%
Medical Office	1.8%	1.9%
Retail	0.7%	0.7%
	25.6%	26.4%
Maryland		
Multifamily	2.3%	2.5%
Office	12.6%	12.7%
Medical Office	4.5%	4.6%
Retail	12.9%	12.1%
	32.3%	31.9%
Virginia		
Multifamily	9.8%	9.9%
Office	16.5%	15.9%
Medical Office	9.7%	9.9%
Retail	6.1%	6.0%
	42.1%	41.7%
Total Portfolio	100.0%	100.0%

**WRIT Portfolio
Inside & Outside the Beltway**

	Percentage of Q3 2011 GAAP NOI	Percentage of YTD 2011 GAAP NOI
Inside the Beltway		
Multifamily	15.3%	15.5%
Office	26.8%	26.6%
Medical Office	3.2%	3.2%
Retail	6.8%	6.7%
	52.1%	52.0%
Outside the Beltway		
Multifamily	0.8%	0.9%
Office	21.3%	21.8%
Medical Office	12.9%	13.2%
Retail	12.9%	12.1%
	47.9%	48.0%
Total Portfolio	100.0%	100.0%

Same-Store and Overall Physical Occupancy Levels by Sector



Sector	Physical Occupancy - Same-Store Properties ⁽¹⁾				
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Multifamily	94.0%	95.6%	95.3%	95.7%	96.4%
Office Buildings	88.1%	88.4%	89.3%	89.4%	89.4%
Medical Office	91.3%	91.7%	93.5%	93.8%	93.3%
Retail Centers	91.8%	92.3%	92.2%	92.5%	92.2%
Industrial / Flex	— %	— %	— %	— %	— %
Overall Portfolio	90.7%	91.3%	91.8%	92.1%	92.1%

Sector	Physical Occupancy - All Properties				
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Multifamily	94.0%	95.6%	95.3%	95.7%	96.4%
Office Buildings	88.6%	88.1%	89.1%	89.4%	89.6%
Medical Office	87.2%	87.3%	88.3%	88.5%	87.8%
Retail Centers	92.3%	92.0%	92.0%	92.1%	92.2%
Industrial / Flex	75.4%	78.4%	80.2%	78.6%	79.5%
Overall Portfolio	89.0%	87.7%	88.5%	88.3%	88.4%

⁽¹⁾ Non same-store properties were:

Acquisitions:

Office - 1140 Connecticut Avenue, 1227 25th Street, Braddock Metro Center and John Marshall II.

Retail - Gateway Overlook, Olney Village Center.

Medical Office - Lansdowne Medical Office Building.

Held for sale and sold properties:

Office - Dulles Station, Phase I and the Ridges.

Industrial/Office - Ammdale I & II, Amvax and the Industrial Portfolio (see page 27 of this Supplement).

Same-Store Portfolio and Overall Economic Occupancy Levels by Sector

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Sector	Economic Occupancy - Same-Store Properties ⁽¹⁾				
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Multifamily	94.1%	94.9%	94.8%	95.5%	95.6%
Office Buildings	89.2%	90.2%	90.3%	89.7%	89.9%
Medical Office Buildings	92.8%	94.0%	94.2%	94.5%	94.8%
Retail Centers	92.0%	92.3%	92.3%	91.4%	91.7%
Industrial / Flex	— %	— %	— %	— %	— %
Overall Portfolio	91.2%	92.1%	92.1%	91.9%	92.1%

Sector	Economic Occupancy - All Properties				
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Multifamily	94.1%	94.9%	94.8%	95.5%	95.6%
Office Buildings	88.5%	89.7%	90.7%	90.0%	90.1%
Medical Office Buildings	89.9%	90.5%	90.5%	90.3%	90.3%
Retail Centers	92.3%	92.3%	92.0%	91.4%	91.7%
Industrial / Flex	80.8%	81.9%	81.4%	81.9%	83.0%
Overall Portfolio	89.5%	90.2%	90.5%	90.2%	90.3%

⁽¹⁾ Non same-store properties were:

Acquisitions:

Office - 1140 Connecticut Avenue, 1227 25th Street, Braddock Metro Center and John Marshall II.

Retail - Gateway Overlook, Olney Village Center.

Medical Office - Lansdowne Medical Office Building.

Held for sale and sold properties:

Office - Dulles Station, Phase I and the Ridges.

Industrial/Office - Ammendale I & II, Amvax and the Industrial Portfolio (see page 27 of this Supplement).

	3rd Quarter 2011	2nd Quarter 2011	1st Quarter 2011	4th Quarter 2010	3rd Quarter 2010					
Gross Leasing Square Footage										
Office Buildings	152,900	160,318	138,083	125,367	103,428					
Medical Office Buildings	29,070	61,374	43,355	7,136	70,426					
Retail Centers	59,910	38,482	78,669	97,055	52,501					
Total	241,880	260,174	260,107	229,558	226,355					
Weighted Average Term (yrs)										
Office Buildings	4.3	7.5	3.6	5.4	4.4					
Medical Office Buildings	4.9	5.5	6.0	3.9	5.4					
Retail Centers	5.9	8.2	4.5	8.4	6.5					
Total	4.7	7.1	4.3	6.6	5.2					
Rental Rate Increases:										
	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH
Rate on expiring leases										
Office Buildings	\$36.04	\$37.87	\$25.59	\$26.66	\$31.41	\$32.26	\$28.72	\$30.30	\$27.63	\$28.50
Medical Office Buildings	34.63	36.79	30.74	32.36	32.91	34.90	35.53	37.37	30.40	32.62
Retail Centers	14.14	17.39	23.67	24.20	15.64	15.91	15.50	16.13	26.01	26.71
Total	\$30.19	\$32.41	\$26.53	\$27.65	\$26.89	\$27.76	\$23.34	\$24.53	\$28.12	\$29.36
Rate on new leases										
Office Buildings	\$39.53	\$37.76	\$29.06	\$26.64	\$30.97	\$29.91	\$31.39	\$29.41	\$28.32	\$27.09
Medical Office Buildings	37.76	35.79	36.13	33.64	37.24	34.76	37.41	36.05	34.94	32.78
Retail Centers	18.56	21.96	25.88	24.34	16.48	16.30	21.79	20.41	30.57	29.36
Total	\$33.71	\$33.24	\$30.25	\$27.96	\$27.63	\$26.60	\$27.52	\$25.81	\$30.90	\$29.39
Percentage Increase										
Office Buildings	9.69%	(0.30)%	13.58%	(0.10)%	(1.40)%	(7.30)%	9.31%	(2.93)%	2.48%	(4.93)%
Medical Office Buildings	9.04%	(2.70)%	17.51%	3.96%	13.14%	(0.41)%	5.28%	(3.53)%	14.95%	0.51%
Retail Centers	31.29%	26.25%	9.34%	0.60%	5.39%	2.42%	40.57%	26.50%	17.51%	9.91%
Total	11.66%	2.56%	14.06%	1.13%	2.76%	(4.17)%	17.90%	5.22%	9.90%	0.08%

	3rd Quarter 2011		2nd Quarter 2011		1st Quarter 2011		4th Quarter 2010		3rd Quarter 2010	
	Total Dollars	Dollars per Square Foot	Total Dollars	Dollars per Square Foot	Total Dollars	Dollars per Square Foot	Total Dollars	Dollars per Square Foot	Total Dollars	Dollars per Square Foot
Tenant Improvements										
Office Buildings	\$2,067,782	\$ 13.52	\$3,019,025	\$ 18.83	\$ 535,261	\$ 3.88	\$2,461,268	\$ 19.63	\$1,296,474	\$ 12.54
Medical Office Buildings	112,145	3.86	893,785	14.56	384,334	8.86	86,937	12.18	859,927	12.21
Retail Centers	<u>1,424,151</u>	<u>23.77</u>	<u>265,135</u>	<u>6.89</u>	<u>—</u>	<u>—</u>	<u>288,110</u>	<u>2.97</u>	<u>22,500</u>	<u>0.43</u>
Subtotal	\$3,604,078	\$ 14.90	\$4,177,945	\$ 16.06	\$ 919,595	\$ 3.54	\$2,836,315	\$ 12.36	\$2,178,901	\$ 9.63
Leasing Costs										
Office Buildings	\$1,596,565	\$ 10.44	\$2,189,912	\$ 13.66	\$ 582,007	\$ 4.21	\$1,478,762	\$ 11.80	\$ 771,853	\$ 7.46
Medical Office Buildings	206,298	7.10	716,648	11.68	530,073	12.23	21,352	2.99	372,579	5.29
Retail Centers	<u>504,673</u>	<u>8.42</u>	<u>269,557</u>	<u>7.00</u>	<u>77,260</u>	<u>0.98</u>	<u>416,203</u>	<u>4.29</u>	<u>120,544</u>	<u>2.30</u>
Subtotal	\$2,307,536	\$ 9.54	\$3,176,117	\$ 12.21	\$1,189,340	\$ 4.57	\$1,916,317	\$ 8.35	\$1,264,976	\$ 5.59
Tenant Improvements and Leasing Costs										
Office Buildings	\$3,664,347	\$ 23.96	\$5,208,937	\$ 32.49	\$1,117,268	\$ 8.09	\$3,940,030	\$ 31.43	\$2,068,327	\$ 20.00
Medical Office Buildings	318,443	10.96	1,610,433	26.24	914,407	21.09	108,289	15.17	1,232,506	17.50
Retail Centers	<u>1,928,824</u>	<u>32.19</u>	<u>534,692</u>	<u>13.89</u>	<u>77,260</u>	<u>0.98</u>	<u>704,313</u>	<u>7.26</u>	<u>143,044</u>	<u>2.73</u>
Total	\$5,911,614	\$ 24.44	\$7,354,062	\$ 28.27	\$2,108,935	\$ 8.11	\$4,752,632	\$ 20.71	\$3,443,877	\$ 15.22

10 Largest Tenants - Based on Annualized Rent
September 30, 2011

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Tenant	Number of Buildings	Weighted Average Remaining Lease Term in Months	Percentage of Aggregate Portfolio Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Occupied Square Feet
World Bank	1	45	4.96%	210,354	2.86%
General Services Administration	6	35	3.04%	177,530	2.41%
Advisory Board Company	1	92	2.86%	180,925	2.46%
L-3 Services, Inc.	1	72	2.32%	147,468	2.00%
Booz Allen Hamilton, Inc.	1	52	2.27%	222,989	3.03%
Patton Boggs LLP	1	67	2.03%	110,566	1.50%
INOVA Health System	7	44	2.00%	113,174	1.54%
Sunrise Assisted Living, Inc.	1	24	1.63%	115,289	1.57%
Children's Hospital	3	85	1.25%	77,858	1.06%
General Dynamics	2	33	1.17%	88,359	1.20%
Total/Weighted Average		55	23.53%	1,444,512	19.63%

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	\$ 70,936,239	32.96%	2,309,557	31.11%
Ambulatory Health Care Services	39,130,938	18.18%	1,145,381	15.43%
Credit Intermediation and Related Activities	16,002,437	7.44%	315,901	4.26%
Executive, Legislative, and Other General Government Support	8,126,219	3.78%	296,620	4.00%
Food Services and Drinking Places	7,615,934	3.54%	247,274	3.33%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	7,436,940	3.46%	216,227	2.91%
Food and Beverage Stores	5,471,508	2.54%	317,729	4.28%
Educational Services	4,781,622	2.22%	162,966	2.20%
Nursing and Residential Care Facilities	4,144,413	1.93%	117,500	1.58%
Miscellaneous Store Retailers	3,313,888	1.54%	180,823	2.44%
Health and Personal Care Stores	3,219,022	1.50%	99,307	1.34%
Clothing and Clothing Accessories Stores	3,173,125	1.47%	166,413	2.24%
Furniture and Home Furnishings Stores	3,131,393	1.46%	151,826	2.05%
Broadcasting (except Internet)	3,002,952	1.40%	86,333	1.16%
Administrative and Support Services	2,790,659	1.30%	85,687	1.15%
Electronics and Appliance Stores	2,546,306	1.18%	157,155	2.12%
Personal and Laundry Services	2,482,855	1.15%	83,191	1.12%
Hospitals	2,441,411	1.13%	70,909	0.96%
Sporting Goods, Hobby, Book, and Music Stores	2,432,301	1.13%	156,134	2.10%
Real Estate	1,723,959	0.80%	60,495	0.82%
General Merchandise Stores	1,672,527	0.78%	209,452	2.82%
Amusement, Gambling, and Recreation Industries	1,224,485	0.57%	75,446	1.02%
Transportation Equipment Manufacturing	1,211,231	0.56%	39,989	0.54%
Computer and Electronic Product Manufacturing	1,144,504	0.53%	40,684	0.55%
Printing and Related Support Activities	1,115,972	0.52%	48,775	0.66%
Insurance Carriers and Related Activities	1,014,707	0.47%	38,181	0.51%
Management of Companies and Enterprises	963,518	0.45%	45,864	0.62%
Securities, Commodity Contracts, Other Financial Investments & Related Activities	856,417	0.40%	32,893	0.44%
Publishing Industries (except Internet)	758,589	0.35%	24,415	0.33%
Merchant Wholesalers, Durable Goods	622,499	0.29%	38,619	0.52%
Building Material and Garden Equipment and Supplies Dealers	546,917	0.25%	28,059	0.38%
Other	10,183,858	4.72%	374,735	5.01%
Total	\$215,219,345	100.00%	7,424,540	100.00%

Year	Number of Leases	Rentable Square Feet	Percent of Rentable Square Feet	Annualized Rent *	Average Rental Rate	Percent of Annualized Rent *
Office:						
2011	36	196,957	4.66%	\$ 6,350,812	\$32.24	4.17%
2012	101	444,718	10.52%	14,489,160	32.58	9.52%
2013	90	470,914	11.14%	15,109,944	32.09	9.93%
2014	89	753,110	17.82%	26,007,477	34.53	17.09%
2015	73	524,483	12.41%	21,670,615	41.32	14.24%
2016 and thereafter	190	1,836,220	43.45%	68,519,990	37.32	45.05%
	<u>579</u>	<u>4,226,402</u>	<u>100.00%</u>	<u>\$152,147,998</u>	<u>\$36.00</u>	<u>100.00%</u>
Medical Office:						
2011	15	28,849	2.54%	\$ 1,009,190	\$34.98	2.25%
2012	52	176,279	15.51%	6,477,693	36.75	14.47%
2013	58	174,273	15.34%	6,152,384	35.30	13.75%
2014	44	125,241	11.02%	4,869,724	38.88	10.88%
2015	29	97,754	8.60%	3,708,132	37.93	8.29%
2016 and thereafter	132	533,845	46.99%	22,538,378	42.22	50.36%
	<u>330</u>	<u>1,136,241</u>	<u>100.00%</u>	<u>\$ 44,755,501</u>	<u>\$39.39</u>	<u>100.00%</u>
Retail:						
2011	14	27,871	1.32%	\$ 675,725	\$24.24	1.47%
2012	69	205,415	9.76%	4,866,927	23.69	10.61%
2013	45	409,929	19.49%	6,322,461	15.42	13.79%
2014	31	132,065	6.28%	2,939,371	22.26	6.41%
2015	36	310,133	14.74%	6,126,247	19.75	13.36%
2016 and thereafter	112	1,018,364	48.41%	24,935,521	24.49	54.36%
	<u>307</u>	<u>2,103,777</u>	<u>100.00%</u>	<u>\$ 45,866,252</u>	<u>\$21.80</u>	<u>100.00%</u>
Total:						
2011	65	253,677	3.40%	\$ 8,035,727	\$31.68	3.31%
2012	222	826,412	11.07%	25,833,780	31.26	10.64%
2013	193	1,055,116	14.13%	27,584,789	26.14	11.36%
2014	164	1,010,416	13.53%	33,816,572	33.47	13.93%
2015	138	932,370	12.49%	31,504,994	33.79	12.98%
2016 and thereafter	434	3,388,429	45.38%	115,993,889	34.23	47.78%
	<u>1,216</u>	<u>7,466,420</u>	<u>100.00%</u>	<u>\$242,769,751</u>	<u>\$32.51</u>	<u>100.00%</u>

Note: Lease expiration data exclude properties classified as sold or held for sale.

* Annualized Rent is equal to the rental rate effective at lease expiration (cash basis) multiplied by 12.

2011 Acquisition and Disposition Summary

September 30, 2011

(\$'s in thousands)

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Acquisition Summary

		Acquisition Date	Square Feet	Leased Percentage at Acquisition	9/30/2011 Leased Percentage	Investment
1140 Connecticut Avenue	Washington, DC	January 11, 2011	184,000	99%	89%	\$ 80,250
1227 25th Street	Washington, DC	March 30, 2011	130,000	72%	72%	47,000
650 North Glebe Road ⁽¹⁾	Arlington, Virginia	June 15, 2011	land for development	N/A	N/A	11,800
Olney Village Center	Olney, Maryland	August 30, 2011	199,000	99%	100%	58,000
Braddock Metro Center	Alexandria, Virginia	September 13, 2011	345,000	92%	92%	101,000
John Marshall II	Tysons Corner, Virginia	September 15, 2011	223,000	100%	100%	73,500
		Total	1,081,000			\$371,550

Disposition Summary

		Disposition Date	Property Type	Square Feet	Contract Sales Price	GAAP Gain
Dulles Station, Phase I	Herndon, VA	April 5, 2011	Office	180,000	\$ 58,800	\$ —
Industrial Portfolio, Phase I ⁽²⁾	Various locations	September 1, 2011	Industrial/ Office	2,000,000	\$235,800	\$ 56,639
				2,180,000	\$294,600	\$ 56,639

⁽¹⁾ Acquisition of 37,000 square feet of land in a joint venture to develop a six story, 150 unit apartment community. WRIT is a 90% owner of the joint venture.

⁽²⁾ The Industrial Portfolio consists of every industrial property, as well as two office properties, the Crescent and Albemarle Point. We are executing the sale in three phases. Phase I of the Industrial Portfolio sale consists of industrial properties (8880 Gorman Road, Dulles South IV, Fullerton Business Center, Hampton Overlook, Alban Business Center, Pickett Industrial Park, Northern Virginia Industrial Park I, 270 Technology Park, Fullerton Industrial Center, Sully Square, 9950 Business Parkway, Hampton South and 8900 Telegraph Road) and two office properties (Crescent and Albemarle Point). On October 3, 2011 we closed on Phase II of the sale, consisting of Northern Virginia Industrial Park II. We expect to close on Phase III of the sale on November 1, 2011, consisting of 6100 Columbia Park Road and Dulles Business Park.

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET*
Office Buildings				
1901 Pennsylvania Avenue	Washington, DC	1977	1960	97,000
51 Monroe Street	Rockville, MD	1979	1975	210,000
515 King Street	Alexandria, VA	1992	1966	76,000
6110 Executive Boulevard	Rockville, MD	1995	1971	198,000
1220 19th Street	Washington, DC	1995	1976	102,000
1600 Wilson Boulevard	Arlington, VA	1997	1973	166,000
7900 Westpark Drive	McLean, VA	1997	1972/1986/1999	523,000
600 Jefferson Plaza	Rockville, MD	1999	1985	112,000
1700 Research Boulevard	Rockville, MD	1999	1982	101,000
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	80,000
1776 G Street	Washington, DC	2003	1979	263,000
6565 Arlington Boulevard	Falls Church, VA	2006	1967/1998	132,000
West Gude Drive	Rockville, MD	2006	1984/1986/1988	276,000
Monument II	Herndon, VA	2007	2000	205,000
Woodholme Center	Pikesville, MD	2007	1989	73,000
2000 M Street	Washington, DC	2007	1971	227,000
2445 M Street	Washington, DC	2008	1986	290,000
925 Corporate Drive	Stafford, VA	2010	2007	135,000
1000 Corporate Drive	Stafford, VA	2010	2009	136,000
1140 Connecticut Avenue	Washington, DC	2011	1966	184,000
1227 25th Street	Washington, DC	2011	1988	130,000
Braddock Metro Center	Alexandria, VA	2011	1985	345,000
John Marshall II	Tysons Corner, VA	2011	1996/2010	223,000
Subtotal				4,755,000
Medical Office Buildings				
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	49,000
Alexandria Professional Center	Alexandria, VA	2006	1968	113,000
9707 Medical Center Drive	Rockville, MD	2006	1994	38,000
15001 Shady Grove Road	Rockville, MD	2006	1999	51,000
Plumtree Medical Center	Bel Air, MD	2006	1991	33,000
15005 Shady Grove Road	Rockville, MD	2006	2002	52,000
2440 M Street	Washington, DC	2007	1986/2006	110,000
Woodholme Medical Office Building	Pikesville, MD	2007	1996	125,000
Ashburn Office Park	Ashburn, VA	2007	1998/2000/2002	75,000
CentreMed I & II	Centreville, VA	2007	1998	52,000
Sterling Medical Office Building	Sterling, VA	2008	1986/2000	36,000
Lansdowne Medical Office Building	Leesburg, VA	2009	2009	87,000
Subtotal				1,309,000

<u>PROPERTIES</u>	<u>LOCATION</u>	<u>YEAR ACQUIRED</u>	<u>YEAR CONSTRUCTED</u>	<u>NET RENTABLE SQUARE FEET*</u>
Retail Centers				
Takoma Park	Takoma Park, MD	1963	1962	51,000
Westminster	Westminster, MD	1972	1969	151,000
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	49,000
Montgomery Village Center	Gaithersburg, MD	1992	1969	198,000
Shoppes of Foxchase ⁽¹⁾	Alexandria, VA	1994	1960	134,000
Frederick County Square	Frederick, MD	1995	1973	227,000
800 S. Washington Street	Alexandria, VA	1998/2003	1955/1959	44,000
Centre at Hagerstown	Hagerstown, MD	2002	2000	332,000
Frederick Crossing	Frederick, MD	2005	1999/2003	295,000
Randolph Shopping Center	Rockville, MD	2006	1972	82,000
Montrose Shopping Center	Rockville, MD	2006	1970	143,000
Gateway Overlook	Columbia, MD	2010	2007	223,000
Olney Village Center	Olney, MD	2011	1979/2003	199,000
Subtotal				<u>2,444,000</u>
Multifamily Buildings * / # units				
3801 Connecticut Avenue / 308	Washington, DC	1963	1951	179,000
Roosevelt Towers / 191	Falls Church, VA	1965	1964	170,000
Country Club Towers / 227	Arlington, VA	1969	1965	163,000
Park Adams / 200	Arlington, VA	1969	1959	173,000
Munson Hill Towers / 279	Falls Church, VA	1970	1963	259,000
The Ashby at McLean / 256	McLean, VA	1996	1982	252,000
Walker House Apartments / 212	Gaithersburg, MD	1996	1971/2003 ⁽²⁾	159,000
Bethesda Hill Apartments / 195	Bethesda, MD	1997	1986	226,000
Bennett Park / 224	Arlington, VA	2007	2007	214,000
Clayborne / 74	Alexandria, VA	2008	2008	60,000
Kenmore Apartments / 374	Washington, DC	2008	1948	270,000
Subtotal (2,540 units)				<u>2,125,000</u>
Industrial Distribution / Flex Properties				
Northern Virginia Industrial Park II	Lorton, VA	1998	1968/1991	570,000
Dulles Business Park	Chantilly, VA	2004/2005	1999-2005	324,000
6100 Columbia Park Road	Landover, MD	2008	1969	150,000
Subtotal				<u>1,044,000</u>
TOTAL				<u>11,677,000</u>

* Multifamily buildings are presented in gross square feet.

⁽¹⁾ Development on approximately 60,000 square feet of the center was completed in December 2006.

⁽²⁾ A 16 unit addition referred to as The Gardens at Walker House was completed in October 2003.

Adjusted EBITDA (a non-GAAP measure) is earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt and gain/loss from non-disposal activities.

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

Debt service coverage ratio is computed by dividing earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt and gain/loss from non-disposal activities by interest expense (including interest expense from discontinued operations) and principal amortization.

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.

Earnings to fixed charges ratio is computed by dividing earnings attributable to the controlling interest 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 (excluding interest expense from discontinued operations), including amortized costs of debt issuance, plus interest costs capitalized.

Economic occupancy is calculated as actual real estate rental revenue recognized for the period indicated as a percentage of gross potential real estate rental revenue for that period. We determine gross potential real estate rental revenue by valuing occupied units or square footage at contract rates and vacant units or square footage at market rates for comparable properties. We do not consider percentage rents and expense reimbursements in computing economic occupancy percentages.

Funds from operations ("FFO") is defined by The National Association of Real Estate Investment Trusts, Inc. ("NAREIT") in an April, 2002 White Paper as net income (computed in accordance with generally accepted accounting principles ("GAAP")) excluding gains (or losses) associated with 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.

Core Funds From Operations ("Core FFO") is calculated by adjusting FFO for the following items (which we believe are not indicative of the performance of WRIT's operating portfolio and affect the comparative measurement of WRIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties and (3) property impairments, as appropriate. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of WRIT's ability to incur and service debt, and distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

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, (4) non-cash fair value interest expense and (5) amortization of restricted share compensation, then adding or subtracting the (6) amortization of lease intangibles, (7) real estate impairment and (8) non-cash gain/loss on extinguishment of debt, 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.

Core Funds Available for Distribution ("Core FAD") is calculated by adjusting FAD for the following items (which we believe are not indicative of the performance of WRIT's operating portfolio and affect the comparative measurement of WRIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties and (3) property impairments, as appropriate. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of WRIT's ability to incur and service debt, and distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

The Industrial Portfolio consists of every industrial property, as well as two office properties, the Crescent and Albemarle Point. We are executing the sale in three phases. **Phase I of the Industrial Portfolio** sale consists of industrial properties (8880 Gorman Road, Dulles South IV, Fullerton Business Center, Hampton Overlook, Alban Business Center, Pickett Industrial Park, Northern Virginia Industrial Park I, 270 Technology Park, Fullerton Industrial Center, Sully Square, 9950 Business Parkway, Hampton South and 8900 Telegraph Road) and two office properties (Crescent and Albemarle Point). On October 3, 2011 we closed on **Phase II of the Industrial Portfolio** sale, consisting of Northern Virginia Industrial Park II. We expect to close on **Phase III of the Industrial Portfolio** sale on November 1, 2011, consisting of 6100 Columbia Park Road and Dulles Business Park.

Physical occupancy is calculated as occupied square footage as a percentage of total square footage as of the last day of that period.

Recurring capital expenditures represent 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.

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

Same-store portfolio net operating income (NOI) growth is the change in the NOI of the same-store portfolio properties from the prior reporting period to the current reporting period.