SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

OR

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

FOR THE FISCAL YEAR ENDED December 31, 2001 COMMISSION FILE NO. 1-6622

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

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

6110 EXECUTIVE BOULEVARD, SUITE 800, ROCKVILLE, MARYLAND 20852

(Address of principal executive office) (Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of exchange on which registered
Shares of Beneficial Interest	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or such shorter period that the Registrant was required to file such report) and (2) has been subject to such filing requirements for the past ninety (90) days. YES X NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

As of March 27, 2002, 38,987,599 Shares of Beneficial Interest were outstanding and the aggregate market value of such shares held by non-affiliates of the registrant was approximately $1,105,298,432 (based on the closing price of the stock on March 27, 2002).

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Form 10-K is incorporated by reference from the Trust's 2002 Notice of Annual Meeting and Proxy Statement.

WASHINGTON REAL ESTATE INVESTMENT TRUST

2001 FORM 10-K ANNUAL REPORT

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PART I

ITEM 1. BUSINESS

The Trust

Washington Real Estate Investment Trust ("WRIT" or the "Trust") is a self-administered, self-managed, equity real estate investment trust ("REIT"). The Trust's business consists of the ownership and operation of income-producing real properties. The Trust has a fundamental strategy of regional focus, diversification by property type and conservative capital management.

WRIT operates in a manner intended to enable it to qualify as a REIT under the Internal Revenue Code (the "Code"). In accordance with the Code, a trust which distributes its capital gains and at least 95 percent of its taxable income to its shareholders each year, and which meets certain other conditions, will not be taxed on that portion of its taxable income which is distributed to its shareholders. With regard to capital gains, the Trust has the option of (i) paying out capital gains to the shareholders with no tax to the Trust, (ii) paying a capital gains tax and retaining the gains on sales, (iii) treating the capital gains as having been distributed to the shareholders, paying the tax on the gain deemed distributed and allocating the tax paid as a credit to the shareholders or (iv) reinvest the proceeds of a sale in other real estate properties and thereby deferring recognition of the gain. Over the last five years, dividends paid per share have been $1.31 for 2001, $1.23 for 2000, $1.16 for 1999, $1.11 for 1998 and $1.07 for 1997. The gain on the sales of real estate of $4.3 million in 2001 was tax deferred. The proceeds of these sales were used to acquire real estate assets and will not be distributed.

WRIT generally incurs short-term floating rate debt in connection with the acquisition of real estate. WRIT replaces the floating rate debt with fixed-rate secured or unsecured terms loans or repays the debt with the proceeds of sales of equity securities as market conditions permit. WRIT also may, in appropriate circumstances, acquire one or more properties in exchange for WRIT's equity securities or operating partnership units which are convertible into WRIT shares.

WRIT's geographic focus is based on two principles:

1. Real estate is a local business and is much more effectively selected and managed by owners located and expert in the region.

2. Geographic markets deserving of focus must be among the nation's best markets with a strong primary industry foundation and be diversified enough to withstand downturns in its primary industry.

WRIT considers markets to be local if they can be reached from the operations center within two hours by car. WRIT's Washington centered market reaches north to Philadelphia, Pennsylvania and south to Richmond, Virginia. While WRIT has historically focused most of its investments in the Greater Washington-Baltimore Region, in order to maximize acquisition opportunities WRIT will consider investments within the two-hour radius described above. WRIT also will consider opportunities to duplicate its Washington focused approach in other geographic markets which meet the criteria described above.

All of WRIT's Trustees, officers and employees live and work in the Greater

Washington-Baltimore region and WRIT's officers average over 20 years of experience in this region.

The Greater Washington, D.C. Economy

The Greater Washington, D.C. economy continues to expand, although at a slower rate than a year ago. Continuing its reputation as recession-resistant, the Washington region saw the Federal government, its contractors and professional service firms continue to expand, adding jobs when the nation as a whole lost jobs at a 0.6% annual rate.

Increased spending by the Federal government is likely to drive regional economic growth in 2002. According to Delta Associates / Transwestern Commercial Services (Delta):

- 12-month job growth through November 2001 was 1.5% for the region compared to negative 0.6% nationwide.
- The Washington area unemployment rate reached 3.4% in October 2001, up from 2.3% for the same period in 2000, but well below the national rate of 5.7%
- Approximately 75,000 new jobs are projected for the region in 2002.

While growth is very important, from an investment perspective economic stability is equally important. In this context, no other region in the country can compete with the Greater Washington region.

The Federal government and Technology industries are two of the strongest core industries in the Washington area economy. Washington D.C. area technology firms are concentrated in more stable sub-sectors than other technology centered regions.

Increased spending by the Federal government is likely to drive regional economic growth in 2002. The Federal government's increased spending on defense and technology projects is likely to spur significant growth in the region's technology sector.

- The Washington area economy could grow by as much as 3.5% in 2002, due largely to the stimulus of increased federal outlays.
- Federal government spending accounts for 31% of Gross Regional Product
- Technology outlays account for about 50% of all Federal procurement spending in the Washington area.
- Technology spending by the Federal government is projected to increase $2 billion in 2002.
- Technology spending as a percent of total federal procurement has been 49% in the area for the last 10 years.

Greater Washington Real Estate Markets

The combination of economic growth and stability in the Greater Washington region has translated into real estate market performance in each of our four sectors as reflected in the following data provided by Delta:

Office Sector

- Rents were stable for the region in 2001 as a whole. The District of Colombia and Suburban Maryland rose 3% in 2001 while Northern Virginia declined 7%.

- Rents will likely hold firm in the District of Colombia and Suburban submarkets, particularly as the Federal government seeks more close-in space for federal agencies. Rents will likely continue to contract over the next six months in the Dulles Corridor of Northern Virginia where oversupply in the market is greatest.
- Direct vacancy was 6.2% (9.6% with sublet space included) at year-end 2001, up from 3.6% direct (8.4% with sublet space) at year-end 2000.
- Vacancy rates remain among the lowest of any major metro area and well below the peak rates of the early 1990s.
- The overall vacancy rate is projected to remain in the 9% range over

the next two years.

- Net absorption totaled 5.8 million square feet, down from a high of 15.6 million square feet in 2000. This was only one-third of the volume experienced in 2000 but is the highest of any region in the U.S. in 2001.

- Of the 15.0 million square feet of space under construction at year-end 2001, 56% was pre-leased.

Multifamily Sector

- Overall, Class B apartment (WRIT's market segment) rents rose 1.9% in the Washington region in 2001. Suburban Maryland rents rose 6.8%, the District submarkets increased 5.4% and Northern Virginia declined 1.1%.

- Rent growth is expected to continue its slow down with a very modest rise in vacancies over the next 12 to 18 months.

- The 1.3% vacancy rate at year-end 2001 in Class B apartments was up from 0.7% at year-end 2000, still very low by historical standards.

Grocery-Anchored Retail Centers Sector - The Washington Metro area market continues to be a strong retail market due to:

- The highest per capita income of any major metro area in the U.S.

- The high growth rate - 25,000 new households per year since 1993; prospects for continued growth of 25,000 to 35,000 per annum through 2005.

- Demand for retail space exceeding new development since the early 1990's.

- Overall market vacancy in grocery-anchored retail centers still remains low at 3.3% at year end 2001, compared to 2.2% at year end 2000.

- Rents for in-line tenants declined 4.0% in 2001. Rent increases have been just under 2% per annum since 1996.

Industrial Sector

- Average industrial rents were up 12.6% in Suburban Maryland and declined 7.0% in Northern Virginia in 2001.

- Rents are projected to continue to soften in 2002 before stabilizing in the second-half of the year.

- Direct vacancy was 9.7% at year-end 2001 (11.0% with sublet space), up from 7.2% at year-end 2000 (7.7% with sublet space).

- The regional industrial vacancy rate is projected to increase to the mid-11% range by year-end 2002.

- Of the 3.9 million square feet of industrial space under construction at year-end 2001, 18% was pre-leased, down from 8.5 million and 22%, respectively, at year-end 2000.

WRIT PORTFOLIO

As of December 31, 2001, WRIT owned a diversified portfolio consisting of 10 retail centers, 23 office buildings, 9 multifamily buildings and 16 industrial properties. WRIT's principal objective is to invest in high quality properties in prime locations, then proactively manage, lease, and develop ongoing capital improvement programs to improve their economic performance. The percentage of total real estate rental revenue by property group for 2001, 2000 and 1999 and the percent leased as of December 31, 2001 were as follows:

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Percent Leased December 31, 2001		Real Estate Rental Revenue 2001	2000	1999
<S>	<C>	<C>	<C>	<C>
97%	Office buildings	55%	53%	52%
94%	Retail centers	13	14	15
95%	Multifamily	18	19	19
100%	Industrial	14	14	14

100%	100%	100%

</TABLE>

On a combined basis, WRIT's portfolio was 97% occupied in 2001, 97% occupied in 2000 and 96% occupied in 1999.

Total revenue was $148.4 million for 2001, $134.7 million for 2000 and $119.0 million for 1999. During 1999, 2000 and 2001, WRIT acquired six office buildings, one retail center, two multifamily buildings and four industrial properties. During 1999, 2000 and 2001, WRIT sold three office properties, four industrial properties and three retail centers. These acquisitions and dispositions were the primary reason for the shifting of each group's percentage of total revenue reflected above. No single tenant accounted for more than 3.3% of revenue in 2001, 3.6% of revenue in 2000 and 3.8% of revenue in 1999. All Federal government tenants in the aggregate accounted for approximately 2.1% of WRIT's 2001 total revenue. Various agencies of the U.S. government are counted separately and include the Department of Commerce, Immigration and Naturalization Service, U.S. Postal Service, Social Security Administration and U.S. Patent Office. WRIT's larger non-Federal government tenants include Suntrust Bank, Xerox, OAO Corporation, Sun Microsystems, Lockheed Corporation, INOVA Health Systems, United Communications Group, Sunrise Assisted Living, Inc. and TRW, Inc.

WRIT's largest tenant in terms of total revenue in 2001 was Getronics (formerly Wang Laboratories). Getronic's lease agreements with WRIT expired effective December 31, 2001 and this tenant vacated 156,000 square feet (approximately 30%) at 7900 Westpark Drive effective January 1, 2002. WRIT anticipates the releasing of this space to begin in the third and fourth-quarters of 2002 and continuing into 2003.

As of December 31, 2001, and for the year then ended, the 7900 Westpark office building accounted for 11% of total real estate assets based upon book value and 9% of total revenues. No other single property accounted for more than 10% of total real estate assets or total revenues.

The Trust expects to continue investing in additional income producing properties. WRIT only invests in properties which management believes will increase in income and value. WRIT's properties compete for

tenants with other properties throughout the respective areas in which they are located on the basis of location, quality and rental rates.

WRIT makes capital improvements on an ongoing basis to its properties for the purpose of maintaining and increasing their values and income. Major improvements and/or renovations to the properties in 2001, 2000 and 1999 are discussed on page 19.

Further description of the property groups is contained in Item 2, Properties and in Schedule III. Reference is also made to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

The number of persons employed by the Trust was 278 as of February 28, 2002 including 211 persons engaged in property management functions and 67 persons engaged in corporate, financial, leasing, and asset management functions.

RISK FACTORS

Set forth below are the risks that we believe are material to our shareholders. We refer to the shares of beneficial interest in Washington Real Estate Investment Trust as our "shares," and the investors who own shares our "shareholders." This section includes or refers to certain forward-looking statements. You should refer to the explanation of the qualifications and limitations on such forward-looking statements beginning on page 24.

Our performance and value are subject to risks associated with our real estate assets and with the real estate industry.

Our economic performance and the value of our real estate assets, and consequently the value of our shares, are subject to the risk that if our office, industrial, multi-family and retail properties do not generate revenues sufficient to meet our operating expenses, including debt service and capital expenditures, our cash flow and ability to pay distributions to our shareholders will be adversely affected. The following factors, among others, may adversely affect the revenues generated by our office, industrial, multi-family and retail properties:

- downturns in the national, regional and local economic climate;
- competition from other office, industrial, multi-family and retail properties;

- local real estate market conditions, such as oversupply or reduction in demand for office, industrial, multi-family or retail properties;
- changes in interest rates and availability of financing; o vacancies, changes in market rental rates and the need to periodically repair, renovate and relet space; o increased operating costs, including insurance premiums, utilities and real estate taxes;
- civil disturbances, earthquakes and other natural disasters, or terrorist acts or acts of war may result in uninsured or underinsured losses;
- significant expenditures associated with each investment, such as debt service payments, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in revenues from a property; and
- ability to collect rents from tenants.

We are dependent upon the economic climate of the Greater Washington, D.C. region.

All of WRIT's properties are located in the Greater Washington, D.C. region as compared to a geographically diverse portfolio. General economic conditions and local real estate conditions in this geographic region have a particularly strong effect on the Trust.

We face risks associated with property acquisitions.

We intend to continue to acquire properties that could continue to increase our size and alter our capital structure. Our acquisition activities and their success may be exposed to the following risks:

- we may be unable to acquire a desired property because of competition from other real estate investors, including both publicly traded real estate investment trusts and institutional investment funds;
- even if we enter into an acquisition agreement for a property, it is usually subject to customary conditions to closing, including completion of due diligence investigations to our satisfaction;
- even if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price;
- we may be unable to finance acquisitions on favorable terms;
- acquired properties may fail to perform as we expected in analyzing our investments; and
- our estimates of the costs of repositioning or redeveloping acquired properties may be inaccurate.

We may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if liability were asserted against us based upon those properties, we might have to pay substantial sums to settle it, which could adversely affect our cash flow. Unknown liabilities with respect to properties acquired might include:

- liabilities for clean-up of undisclosed environmental contamination;
- claims by tenants, vendors or other persons dealing with the former owners of the properties;
- liabilities incurred in the ordinary course of business; and
- claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

We face potential difficulties or delays renewing leases or re-leasing space.

We derive most of our income from rent received from our tenants. If a tenant experiences a downturn in its business or other types of financial distress, it may be unable to make timely rental payments. Also, when our tenants decide not to renew their leases, we may not be able to relet the space. Even if tenants decide to renew, the terms of renewals or new leases, including the cost of required improvements or concessions to tenants, may be less favorable than current lease terms. As a result, our cash flow could decrease and our ability to make distributions to our shareholders could be adversely affected.

We face potential adverse effects from major tenants' bankruptcies or insolvencies.

The bankruptcy or insolvency of a major tenant may adversely affect the income produced by our properties. Although we have not experienced material losses from tenant bankruptcies or insolvencies in the past, our tenants could file for bankruptcy protection or become insolvent in the future. We cannot evict a tenant solely because of its bankruptcy. On the other hand, a court might authorize the tenant to reject and terminate its lease with us. In such case, our claim against the bankrupt tenant for unpaid, future rent would be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease, and, even so, our claim for unpaid rent would likely not be paid in full. This shortfall could adversely affect our cash flow and results from operations.

Our properties face significant competition.

We face significant competition from developers, owners and operators of office, industrial, multi-family, retail and other commercial real estate. Substantially all of our properties face competition from similar properties in the same market. Such competition may effect our ability to attract and retain tenants and may reduce the rents we are able to charge. These competing properties may have vacancy rates higher than our properties, which may result in their owners being willing to make space available at lower prices than the space in our properties.

Compliance or failure to comply with the Americans with Disabilities Act and other laws could result in substantial costs.

The Americans with Disabilities Act generally requires that public buildings, including office, industrial, retail and multi-family properties, be made accessible to disabled persons. Noncompliance could result in imposition of fines by the federal government or the award of damages to private litigants. If, pursuant to the Americans with Disabilities Act, we are required to make substantial alterations and capital expenditures in one or more of our properties, including the removal of access barriers, it could adversely affect our financial condition and results of operations, as well as the amount of cash available for distribution to our shareholders. We may also incur significant costs complying with other regulations. Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these requirements, we could incur fines or private damage awards. We believe that our properties are currently in material compliance with all of these regulatory requirements. However, we do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures that will affect our cash flow and results from operations.

Some potential losses are not covered by insurance.

We carry insurance coverage on our properties of types and in amounts that we believe are in line with coverage customarily obtained by owners of similar properties. We believe all of our properties are adequately insured. The property insurance that we maintain for our properties has historically been on an "all risk" basis, including losses caused by acts of terrorism. Following the recent terrorist activity of September 11, 2001, and in light of the resulting uncertainty in the insurance market, many insurance companies have indicated that they will exclude insurance against acts of terrorism from their "all risk" policies. Our "all risk" insurance coverage which is in full force and effect until renewal in September 2002, has not been modified and includes coverage for losses attributable to acts of terrorism. There are other types of losses, such as from wars or catastrophic acts of nature, for which we cannot obtain insurance at all or at a reasonable cost. In the event of an uninsured loss or a loss in excess of our insurance limits, we could lose both the revenues generated from the affected property and the capital we have invested in the affected property; depending on the specific circumstances of the affected property it is possible that we could be liable for any mortgage indebtedness or other obligations related to the property. Any such loss could materially and adversely affect our business and financial condition and results of operations.

Potential liability for environmental contamination could result in substantial costs.

Under federal, state and local environmental laws, ordinances and regulations, we may be required to investigate and clean up the effects of releases of hazardous or toxic substances or petroleum products at our properties, regardless of our knowledge or responsibility, simply because of our current or past ownership or operation of the real estate. If unidentified environmental problems arise, we may have to make substantial payments which could adversely affect our cash flow and our ability to make distributions to our shareholders because:

- as owner or operator we may have to pay for property damage and for investigation and clean-up costs incurred in connection with the contamination;
- the law typically imposes clean-up responsibility and liability regardless of whether the owner or operator knew of or caused the contamination;
- even if more than one person may be responsible for the contamination, each person who shares legal liability under the environmental laws may be held responsible for all of the clean-up costs; and
- governmental entities and third parties may sue the owner or operator of a contaminated site for damages and costs.

We have a storage tank third party liability policy in place to cover potential hazardous releases from underground storage tanks on our properties. This insurance is in place to mitigate any potential remediation costs from the effect of releases of hazardous or toxic substances from these storage tanks.

These costs could be substantial and in extreme cases could exceed the value of the contaminated property. The presence of hazardous or toxic substances or petroleum products or the failure to properly remediate contamination may materially and adversely affect our ability to borrow against, sell or rent an affected property. In addition, applicable environmental laws create liens on contaminated sites in favor of the government for damages and costs it incurs in connection with a contamination.

Environmental laws also govern the presence, maintenance and removal of asbestos. Such laws require that owners or operators of buildings containing asbestos:

- properly manage and maintain the asbestos;
- notify and train those who may come into contact with asbestos; and
- undertake special precautions, including removal or other abatement, if asbestos would be disturbed during renovation or demolition of a building.

Such laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos fibers.

It is our policy to retain independent environmental consultants to conduct Phase I environmental site assessments and asbestos surveys with respect to our acquisition of properties. These assessments generally include a visual inspection of the properties and the surrounding areas, an examination of current and historical uses of the properties and the surrounding areas and a review of relevant state, federal and historical documents, but do not involve invasive techniques such as soil and ground water sampling. Where appropriate, on a property-by-property basis, our practice is to have these consultants conduct additional testing, including sampling for asbestos, for lead in drinking water, for soil contamination where underground storage tanks are or were located or where other past site usages create a potential environmental problem, and for contamination in groundwater. Even though these environmental assessments are conducted, there is still the risk that:

- the environmental assessments and updates did not identify all potential environmental liabilities;
- a prior owner created a material environmental condition that is not known to us or the independent consultants preparing the assessments;
- new environmental liabilities have developed since the environmental assessments were conducted; and
- future uses or conditions such as changes in applicable environmental laws and regulations could result in environmental liability for us.

We face risks associated with the use of debt to fund acquisitions and developments, including refinancing risk.

We are subject to the risks normally associated with debt financing, including the risk that our cash flow will be insufficient to meet required payments of principal and interest. We anticipate that only a small portion of the principal of our debt will be repaid prior to maturity. Therefore, we are likely to need to refinance at least a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing will not be as favorable as the terms of the existing debt. If principal payments due at maturity cannot be refinanced, extended or repaid with proceeds from other sources, such as new equity capital, our cash flow will not be sufficient to repay all maturing debt in years when significant "balloon" payments come due.

Rising interest rates would increase our interest costs.

We may incur more indebtedness that bears interest at variable rates. Accordingly, if interest rates increase, so will our interest costs, which would adversely affect our cash flow, our ability to service debt and our ability to make distributions to our shareholders. As a protection against rising interest rates, we may enter into agreements such as interest rate swaps, caps, floors and other interest rate exchange contracts. These

agreements, however, increase our risks as to other parties to the agreements not performing or that the agreements could be unenforceable.

Covenants in our debt agreements could adversely affect our financial condition.

We rely on borrowings under our credit facilities to finance acquisitions and development activities and for working capital, and if we are unable to borrow under our credit facilities, or to refinance existing indebtedness, our financial condition and results of operations would likely be adversely affected.

Our credit facilities contain customary restrictions, requirements and other limitations on our ability to incur indebtedness, including total debt to assets ratios, secured debt to total asset ratios, debt service coverage ratios and minimum ratios of unencumbered assets to unsecured debt which we must maintain. Our ability to borrow under our credit facilities is subject to compliance with our financial and other covenants.

Further issuances of equity securities may be dilutive to current shareholders.

The interests of our existing shareholders could be diluted if additional equity securities are issued to finance future developments and acquisitions instead of incurring additional debt. Our ability to execute our business strategy depends on our access to an appropriate blend of debt financing, including unsecured lines of credit and other forms of secured and unsecured debt, and equity financing.

Failure to qualify as a REIT trust would cause us to be taxed as a corporation, which would substantially reduce funds available for payment of dividends.

If we fail to qualify as a real estate investment trust for federal income tax purposes, we will be taxed as a corporation. We believe that we are organized and qualified as a REIT, and intend to operate in a manner that will allow us to continue to qualify as a REIT.

If we fail to qualify as a REIT we will face serious tax consequences that will substantially reduce the funds available for payment of dividends for each of the years involved because:

- we would not be allowed a deduction for dividends paid to shareholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;
- we also could be subject to the federal alternative minimum tax and possibly increased state and local taxes;
- unless we are entitled to relief under statutory provisions, we could not elect to be subject to tax as a REIT for four taxable years following the year during which we were disqualified; and
- all dividends will be subject to tax as ordinary income to the extent of our current and accumulated earnings and profits.

In addition, if we fail to qualify as a REIT, we will no longer be required to pay dividends. As a result of all these factors, our failure to qualify as a real estate investment trust could impair our ability to expand our business and raise capital, and would adversely affect the value of our shares.

Changes in market conditions could adversely affect the market price of our shares.

As with other publicly traded equity securities, the value of our shares depends on various market conditions which may change from time to time. Among the market conditions that may affect the value of our shares are the following:

- the extent of investor interest in us;
- the general reputation of real estate investment trusts and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our financial performance; and

- general stock and bond market conditions.

ITEM 2. PROPERTIES

The schedule on the following page lists the Trust's real estate investment portfolio as of December 31, 2001, which consisted of 58 properties.

As of December 31, 2001, the percent leased is the percentage of net rentable area for which fully executed leases exist and may include signed leases for space not yet occupied by the tenant.

Cost information is included in Schedule III to WRIT's financial statements included in this Annual Report on Form 10-K.

SCHEDULE OF PROPERTIES

<TABLE>
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Properties	Location	Year Acquired	Year Constructed	Net Rentable* Square Feet	Percent Leased 12/31/01
<S>	<C>	<C>	<C>	<C>	<C>
Office Buildings					
1901 Pennsylvania Avenue	Washington, D.C.	1977	1960	97,000	100%
51 Monroe Street	Rockville, MD	1979	1975	210,000	97%
7700 Leesburg Pike	Falls Church, VA	1990	1976	145,000	98%
515 King Street	Alexandria, VA	1992	1966	78,000	95%
The Lexington Building	Rockville, MD	1993	1970	47,000	98%
The Saratoga Building	Rockville, MD	1993	1977	59,000	100%
Brandywine Center	Rockville, MD	1993	1969	35,000	100%
Tycon Plaza II	Vienna, VA	1994	1981	131,000	94%
Tycon Plaza III	Vienna, VA	1994	1978	152,000	99%
6110 Executive Boulevard	Rockville, MD	1995	1971	199,000	99%
1220 19th Street	Washington, D.C.	1995	1976	104,000	92%
Maryland Trade Center I	Greenbelt, MD	1996	1981	191,000	97%
Maryland Trade Center II	Greenbelt, MD	1996	1984	159,000	100%
1600 Wilson Boulevard	Arlington, VA	1997	1973	167,000	100%
7900 Westpark Drive	McLean, VA	1997	1972/1986/1999/1/	527,000	100%
8230 Boone Boulevard	Vienna, VA	1998	1981	58,000	72%
Woodburn Medical Park I	Annandale, VA	1998	1984	71,000	100%
Woodburn Medical Park II	Annandale, VA	1998	1988	96,000	100%
600 Jefferson Plaza	Rockville, MD	1999	1985	115,000	99%
1700 Research Boulevard	Rockville, MD	1999	1982	103,000	100%
Parklawn Plaza	Rockville, MD	1999	1986	40,000	100%
Wayne Plaza	Silver Spring, MD	2000	1970	91,000	95%
Courthouse Square	Alexandria, VA	2000	1979	113,000	95%
One Central Plaza	Rockville, MD	2001	1974	274,000	100%
Subtotal				3,262,000	97%
Retail Centers					

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Properties	Location	Year Acquired	Year Constructed	Net Rentable* Square Feet	Percent Leased 12/31/01
Concord Centre	Springfield, VA	1973	1960	76,000	96%
Bradlee	Alexandria, VA	1984	1955	168,000	100%
Chevy Chase Metro Plaza	Washington, D.C.	1985	1975	51,000	94%
Takoma Park	Takoma Park, MD	1963	1962	59,000	100%
Westminster	Westminster, MD	1972	1969	165,000	80%
Wheaton Park	Wheaton, MD	1977	1967	71,000	96%
Montgomery Village Center	Gaithersburg, MD	1992	1969	196,000	94%
Shoppes of Foxchase	Alexandria, VA	1994	1960	128,000	94%
Frederick County Square	Frederick, MD	1995	1973	233,000	93%
800 S. Washington Street	Alexandria, VA	1998	1955/1959	51,000	100%
				---------	----
Subtotal				1,198,000	94%
				=========	====
Multifamily Buildings/# units					
Country Club Towers/227	Arlington, VA	1969	1965	157,000	97%
Munson Hill Towers/279	Falls Church, VA	1970	1963	258,000	94%
Park Adams/200	Arlington, VA	1969	1959	158,000	95%
Roosevelt Towers/190	Falls Church, VA	1965	1964	156,000	92%
3801 Connecticut Avenue/307	Washington, D.C.	1963	1951	166,000	96%
The Ashby at McLean/250	McLean, VA	1996	1982	349,000	96%
Walker House Apartments/196	Gaithersburg, MD	1996	1971	148,000	95%
Bethesda Hills Apartments/194	Bethesda, MD	1997	1986	226,000	95%
Avondale/236	Laurel, MD	1999	1987	162,000	98%
				---------	----
Subtotal (2,079 units)				1,780,000	95%
				=========	====

</TABLE>

- -------------
/1/ A 49,000 square foot addition to 7900 Westpark Drive was completed in September 1999.
* Multifamily buildings are presented in gross square feet.

SCHEDULE OF PROPERTIES (Cont.)

<TABLE>
<CAPTION>

Properties	Location	Year Acquired	Year Constructed	Net Rentable* Square Feet	Percent Leased 12/31/01
<S>	<C>	<C>	<C>	<C>	<C>

Industrial Distribution/Flex Properties

Pepsi-Cola Distribution Center	Forestville, MD	1987	1971	69,000	100%
Capitol Freeway Center3	Washington, D.C.	1974	1940	145,000	0%
Fullerton Business Center	Springfield, VA	1985	1980	103,000	95%
Charleston Business Center	Rockville, MD	1993	1973	85,000	100%
Tech 100 Industrial Park	Elkridge, MD	1995	1990	167,000	100%
Crossroads Distribution Center	Elkridge, MD	1995	1987	85,000	100%
The Alban Business Center	Springfield, VA	1996	1981/1982	87,000	100%
The Earhart Building	Chantilly, VA	1996	1987	92,000	100%
Ammendale Technology Park I	Beltsville, MD	1997	1985	167,000	100%
Ammendale Technology Park II	Beltsville, MD	1997	1986	108,000	100%
Pickett Industrial Park	Alexandria, VA	1997	1973	246,000	100%
Northern Virginia Industrial Park	Lorton, VA	1998	1968/1991	790,000	99%
8900 Telegraph Road	Lorton, VA	1998	1985	32,000	100%
Dulles South IV	Chantilly, VA	1999	1988	83,000	100%
Sully Square	Chantilly, VA	1999	1986	95,000	100%
Amvax	Beltsville, MD	1999	1986	31,000	100%
Sullyfield Center	Chantilly, VA	2001	1985	248,000	100%
Subtotal				2,633,000	100%/4/
TOTAL				8,873,000	

</TABLE>

- ------------
/3/ Property subsequently sold in February 2002.
/4/ Total Industrial percent leased at December 31, 2001 excludes Capitol Freeway Center vacancy.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 2001.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Effective January 4, 1999, the Trust's shares began trading on the New York Stock Exchange. There are approximately 37,000 shareholders.

From 1971 through December 31, 1998, the Trust's shares were traded on the American Stock Exchange. The Trust's shares were split 3-for-1 in March 1981, 3-for-2 in July 1985, 3-for-2 in December 1988, and 3-for-2 in May 1992.

The high and low sales price for the Trust's shares for 2001 and 2000, by quarter, and the amount of dividends paid by the Trust are as follows:

Quarter	Dividends Per Share	Quarterly Share Price Range High	Low
2001			
4	$ .3325	$25.52	$22.60
3	.3325	25.28	20.80
2	.3325	24.72	21.60
1	.3125	24.00	21.17
2000			
4	$.3125	$25	$18 3/4
3	.3125	17	17 3/8
2	.3125	17 15/16	14 1/2
1	.2925	18 3/4	14 5/16

The Trust has historically paid dividends on a quarterly basis. Dividends are normally paid based on the Trust's cash flow from operating activities.

ITEM 6. SELECTED FINANCIAL DATA

	2001	2000	1999	1998	1997
	(in thousands, except per share data)				
Real estate rental revenue	$148,424	$134,732	$118,975	$103,597	$ 79,429
Income before gain on sale of real estate	$ 48,057	$41,572	$ 36,392	$ 34,300	$ 30,136
Gain on sale of real estate	$ 4,296	$ 3,567	$ 7,909	$ 6,764	--
Net income	$ 52,353	$45,139	$ 44,301	$ 41,064	$ 30,136
Income per share before gain on sale of real estate - basic	$1.28	$1.16	$1.02	$0.96	$0.90
Income per share before gain on sale of real estate - diluted	$1.27	$1.16	$1.02	$0.96	$0.90
Earnings per Share - basic	$1.39	$1.26	$1.24	$1.15	$0.90
Earnings per Share - diluted	$1.38	$1.26	$1.24	$1.15	$0.90
Total assets	$707,935	$633,415	$608,480	$558,707	$468,571
Lines of credit payable	--	--	$ 33,000	$ 44,000	$ 95,250

Mortgage notes payable	$ 94,726	$ 86,260	$ 87,038	$ 28,912	$ 7,461
Notes payable	$265,000	$265,000	$210,000	$210,000	$100,000
Shareholders' equity	$323,607	$258,656	$257,189	$253,733	$252,088
Cash dividends paid	$ 49,686	$ 43,955	$ 41,341	$ 39,614	$ 36,108
Cash dividends paid per share	$1.31	$1.23	$1.16	$1.11	$1.07

</TABLE>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

CRITICAL ACCOUNTING POLICIES

WRIT believes the following critical accounting policies affect the company's more significant judgments and estimates used in the preparation of the company's consolidated financial statements. WRIT's significant accounting policies are described in Note 1 in the Notes to the Consolidated Financial Statements in Item 8 of this Form 10-K.

Revenue Recognition

WRIT's revenue recognition policy is significant because revenue is a key component of the company's results from operations. In addition, revenue recognition determines the timing of certain expenses, such as leasing commissions and bad debt. WRIT recognizes real estate rental revenue including cost reimbursement income when earned in accordance with Statement of Financial Accounting Standards ("SFAS") No. 13, "Accounting for Leases". This requires WRIT to recognize rental revenue on a straight-line basis over the term of the company's leases. WRIT maintains an allowance for doubtful accounts for estimated losses resulting from the inability of the company's tenants to make required payments.

Estimated Useful Lives of Real Estate Assets

Real estate assets are depreciated on a straight-line basis over estimated useful lives not exceeding 50 years. All capital improvement expenditures associated with replacements, improvements, or major repairs to real property are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 30 years. All tenant improvements are amortized over the shorter of the useful life or the term of the lease. Maintenance and repair costs are charged to expense as incurred.

Impairment Losses on Long-Lived Assets

WRIT recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the net undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such carrying amount is in excess of the estimated projected operating cash flows of the property, WRIT would recognize an impairment loss equivalent to an amount required to adjust the carrying amount to the estimated fair market value. There were no property impairments recognized during the three-year period ending December 31, 2001.

RESULTS OF OPERATIONS

REAL ESTATE RENTAL REVENUE: 2001 VERSUS 2000

Total revenues for 2001 increased $13.7 million, or 10%, to $148.4 million from $134.7 million in 2000. The percentage increase in real estate rental revenue from 2000 to 2001 by property type was as follows:

Office Buildings	14%
Retail Centers	5%
Multifamily	5%
Industrial/Flex Properties	8%

During 2001, WRIT's office building revenues and operating income increased by 14% and 15%, respectively, over 2000. These increases were primarily due to the 2001 acquisition of One Central Plaza and 2000 acquisitions of Wayne Plaza and Courthouse Square combined with increased rental rates for the sector, offset in part by the 2001 sale of 10400 Connecticut Avenue. 3.5% of the real estate portfolio revenues are attributable to WRIT's medical office buildings, which WRIT considers to have less exposure to economic trends than typical office buildings. Occupancy levels remained relatively unchanged.

Revenues and operating income in WRIT's core group of office buildings (excluding 2001 and 2000 acquisitions and dispositions) increased 4% and 5%, respectively, from 2000 to 2001. The increases in revenue and operating income were the result of strong rental rate growth throughout the sector. WRIT's office markets are strong and, while there is a significant amount of office development underway in several submarkets, management anticipates that this sector will continue to perform well in 2002. Economic occupancy rates for the core group of office buildings averaged 98% for 2001 and 97% for 2000. Economic occupancy is defined as gross rental revenue less vacancy losses.

Rental rate increases of 4% for the core group of office buildings were the result of increases at nearly all of the properties. During 2001, WRIT executed new leases for 515,000 square feet of office space at an average face rent increase of 18% on a non-straight line basis.

During 2001, WRIT's retail center revenues and operating income increased by 5% and 6%, respectively, over 2000. The change was primarily attributable to increased rental rates across the sector offset in part by the 2000 sales of Prince William Plaza and Clairmont retail center. Occupancy levels remained relatively unchanged.

Retail center revenues and operating income in WRIT's core retail centers (excluding 2001 and 2000 acquisitions and dispositions) increased 7% and 8%, respectively, from 2000 to 2001, due primarily to the 8% growth in retail center rental rates for this same group.

Rental rate increases of 8% for the core group of retail centers were the result of increases at the majority of the properties. During 2001, WRIT executed new leases for 188,000 square feet of retail space at an average face rent increase of 64% on a non-straight line basis.

WRIT's multifamily revenues and operating income increased by 5% and 4%, respectively, in 2001 over 2000. These increases were primarily due to increased rental rates offset by declining occupancy levels across the sector.

WRIT's multifamily sector core group revenues and operating income increased 4% and 6%, respectively. These increases were the result of the 7% rental rate increase throughout the group. Economic occupancy rates for the core group of multifamily averaged 95% in 2001 and 97% in 2000.

WRIT's industrial/flex revenues and operating income increased by 8% and 6%, respectively, in 2001 over 2000. These increases were primarily due to the 2001 acquisitions of Sullyfield Commerce Center as well as increased rental rates and occupancy levels across the sector.

Revenues and operating income in WRIT's core group of industrial/flex properties (excluding 2001 and 2000 acquisitions and dispositions) increased 6% and 8%, respectively, from 2000 to 2001 as a result of rental rate growth and higher occupancy levels in 2001 compared to 2000. Rental rate increases of 6% for the core group of industrial/flex properties were the result of increases at the majority of the centers. During 2001, WRIT executed new leases for 451,000 square feet of industrial space leases at an average face rent increase of 9.3% on a non-straight line basis. Economic occupancy rates for the core group of industrial/flex properties averaged 98% in 2001 compared to 97% in 2000.

Rental rate increases of 6% for the core group of industrial/flex properties were the result of increases at the majority of the centers. During 2001, WRIT executed new leases for 451,000 square feet of industrial space leases at an average face rent increase of 9.3% on a non-straight line basis.

REAL ESTATE RENTAL REVENUE: 2000 VERSUS 1999
- --

Total revenues for 2000 increased $15.8 million, or 13%, to $134.7 million from $119.0 million in 1999. The percentage increase in real estate rental revenue from 1999 to 2000 by property type was as follows:

Office Buildings	15%
Retail Centers	1%
Multifamily	14%
Industrial/Flex Properties	19%

During 2000, WRIT's office building revenues and operating income increased by 15% and 17%, respectively, over 1999. These increases were primarily due to increased rental rates for the sector, the 2000 acquisitions of Wayne Plaza and Courthouse Square and the 1999 acquisitions of 600 Jefferson Plaza, 1700 Research Boulevard and Parklawn Plaza. These increases were offset in part by the 1999 sales of Arlington Financial Center and 444 North Frederick Road and a slight decline in occupancy rates.

Revenues and operating income in WRIT's core group of office buildings (excluding 2000 and 1999 acquisitions and dispositions) increased 9% and 10%, respectively, from 1999 to 2000. These increases were a result of strong rental rate growth with some moderate occupancy gains throughout the sector. Economic occupancy rates for the core group of office buildings averaged 97% for 2000 and 1999.

Rental rate increases of 7% for the core group of office buildings were the result of increases at nearly all of the properties. During 2000, WRIT executed new leases for 758,000 square feet of office space at an average face rent increase of 18% on a non-straight line basis.

During 2000, WRIT's retail center revenues and operating income increased by 1% and 2%, respectively, over 1999. The increases were due to the 2000 acquisition of 833 S. Washington Street combined with increased rental rates and occupancy levels, offset by the 2000 sales of Prince William Plaza and Clairmont Center.

Revenues and operating income in WRIT's core retail centers (excluding 2000 and 1999 acquisitions and dispositions) increased 4% and 8%, respectively, from 1999 to 2000 due to increased rental rate growth. Retail center rental rates for this same group increased 5% in 2000 over 1999.

Rental rate increases of 5% for the core group of retail centers were the result of increases at the majority of the properties. During 2000, WRIT executed new leases for 181,000 square feet of retail space at an average face rent increase of 15% on a non-straight line basis.

WRIT's multifamily revenues and operating income increased by 14% and 19%, respectively, in 2000 over 1999. These increases were primarily due to the 1999 acquisition of Avondale Apartments combined with increased rental rates and occupancy levels across the sector.

WRIT's multifamily sector core group revenues and operating income (excluding the Avondale Apartments acquired in 1999) increased 7% and 11%, respectively. These increases were the result of the 6% rental rate increase throughout the group. Economic occupancy rates for the core group of multifamily averaged 97% in both 2000 and 1999.

WRIT's industrial/flex property revenues and operating income increased by 19% and 21%, respectively, in 2000 over 1999. These increases were primarily due to the 1999 acquisitions of Dulles South IV, Amvax and Sully Square, as well as increased rental rates and occupancy levels primarily at Northern Virginia Industrial Park, offset in part by the loss of revenues from the 1999 sales of the Department of Commerce Industrial Center and V Street Distribution Center.

Revenues and operating income in WRIT's core group of industrial/flex properties (excluding 2000 and 1999 acquisitions and dispositions) increased 17% and 10%, respectively, from 1999 to 2000 due to increased rental rate growth and higher occupancy levels. Economic occupancy rates for the core group of industrial/flex properties averaged 96% in 2000 compared to 94% in 1999.

Rental rate increases of 4% for the core group of industrial/flex properties were the result of increases at the majority of the centers. During 2000, WRIT executed new leases for 1,083,000 square feet of industrial space leases at an average face rent increase of 19% on a non-straight line basis.

OPERATING EXPENSES AND OTHER RESULTS OF OPERATIONS

Real estate operating expenses as a percentage of revenue were 28% for both 2001 and 2000 and 30% for 1999. Real estate operating expenses increased to $42.1 million in 2001 from $38.3 million in 2000 and $35.3 million in 1999 in general due to the acquisition of three real estate properties in 2001, three real estate properties in 2000 and seven real estate properties in 1999 as well as higher real estate taxes due to increases in assessed value throughout much of the portfolio. Core portfolio operating expenses increased 4 % in 2001 from 2000 and 5% from 2000 to 1999 due primarily to higher real estate taxes and property management fees attributable to the increase in real estate revenue. It should be noted, property management fees are passed through to tenants as part of the full service rent or as a contractual pass through.

Depreciation and amortization expense increased $4.0 million in 2001 from 2000 due to total acquisitions of $67.8 million in 2001, $26.6 million of acquisitions throughout 2000 and capital and tenant improvement expenditures, of $14.0 million and $16.3 million for 2001 and 2000, respectively. Depreciation and amortization expense increased $3.1 million in 2000 from 1999 due to $26.6 million of acquisitions in 2000, $61.8 million in acquisitions throughout 1999 and $16.3 million and $18.4 million, respectively, in 2001 and 2000 capital and tenant improvement expenditures.

Interest expense increased $1.5 million in 2001 from 2000. The increase is primarily attributable to the issuance of $55.0 million in medium-term notes in November 2000 used to pay off WRIT's unsecured lines of credit and the assumption of an $8.5 million mortgage in November 2001 with the acquisition of Sullyfield Commerce Center. Interest expense increased $3.3 million in 2000 from 1999. The increase is primarily attributable to a higher average unsecured line of credit balance outstanding combined with higher variable interest rates, the issuance of $55.0 million in medium-term notes in November 2000 used to pay off WRIT's unsecured lines of credit and the assumption of an $8.7 million mortgage in September 1999 with the acquisition of Avondale Apartments.

General and administrative expenses were $6.1 million for 2001 as compared to $7.5 million for 2000 and $6.2 million for 1999. The decrease in general and administrative expenses in 2001 from 2000 was primarily attributable to increased property management fees passed through to tenants in 2001 that in turn reduced the administrative expenses of the Trust. General and administrative expenses also declined in 2001 due to lower incentive compensation as a result of a reduced rate of growth of the Trust. The increase in general and administrative expenses in 2000 from 1999 was primarily attributable to increased incentive compensation due to the high rate of growth of the Trust.

Gain on sale of real estate was $4.3 million for the year ended December 31, 2001, resulting from the sale of 10400 Connecticut Avenue. Gain on sale of real estate in 2000 was $3.6 million resulting from the sales of Prince William Plaza and Clairmont Center. The $7.9 million gain on sale of real estate in 1999 resulted from the sales of Arlington Financial Center, 444 North Frederick Avenue, Department of Commerce and V Street Distribution Center.

CAPITAL RESOURCES AND LIQUIDITY

WRIT has utilized the proceeds of share offerings, unsecured and secured debt issuance (medium and long-term fixed interest rate debt), bank lines of credit and cash flow from operations for its capital needs. Management believes that external sources of capital will continue to be available to WRIT from its existing unsecured bank line

of credit commitments and from selling additional shares and/or the sale of medium or long-term secured or unsecured notes. The funds raised would be used for new acquisitions and capital improvements.

Management believes that WRIT has the liquidity and the capital resources necessary to meet all of its known obligations and to make additional property acquisitions and capital improvements when appropriate to enhance long-term growth.

WRIT has two line of credit commitments in place from commercial banks: a $25.0 million line of credit and a $50.0 million line of credit. Both bear interest at an adjustable spread over LIBOR based on the Trust's interest coverage ratio and public debt rating. As of December 31, 2001, WRIT had $0 outstanding under the company's lines of credit. The $25.0 million line of credit matures March 2002, and negotiations for renewal of this line of credit are under discussion.

The lines of credit and senior and medium-term notes payable contain certain financial and non-financial covenants, all of which WRIT has met as of December 31, 2001. The covenants at present require insurance coverage for all perils or special form types of insurance. The loan documents currently make no specific reference to terrorism insurance. WRIT believes it is currently covered against such acts under the insurance coverage in full force and effect until renewal in September 2002. WRIT anticipates obtaining additional insurance coverage at higher costs upon renewal; however, the Trust's financial condition and results of operations are subject to the risks associated with acts of terrorism and the potential for uninsured losses as the result of any such act.

WRIT acquired three properties in 2001 for total acquisition costs of $67.8 million. Acquisitions in 2000 included three improved properties and the land under Munson Hill Towers at a cost of $26.6 million. Seven properties were acquired in 1999 for a total acquisition cost of $61.8 million.

2001 acquisitions were funded through income from operations, line of credit advances and proceeds from the public offering in April 2001 and a property sale in September 2001. On April 24, 2001 WRIT completed a public offering of 2.3 million shares. The $53.1 million net proceeds were used to repay $43.0 million in borrowings under the Trust's line of credit. WRIT disposed of one property in 2001 resulting in net proceeds of $ 8.1 million.

Line of credit advances and the use of proceeds from property sales financed the 2000 acquisitions in February and August 2000. WRIT disposed of two properties in 2000 resulting in net proceeds of $5.7 million. The proceeds from these sales were used to partially fund 2000 acquisitions. On November 6, 2000, WRIT sold $55.0 million of 7.78% unsecured notes due November 2004. The notes bear an effective interest rate of 7.89%. Total proceeds to the Trust, net of underwriting fees, were $54.8 million. WRIT used the proceeds of these notes to repay advances on its lines of credit.

The 1999 acquisitions were financed by line of credit advances, the use of proceeds from property sales in February 1999 and the assumption of a non-recourse mortgage payable of $8.7 million. WRIT disposed of six properties in 1999 resulting in net proceeds of $22.0 million. On September 27, 1999, WRIT closed on a $50.0 million mortgage note payable, the proceeds of which were used to pay down WRIT's unsecured lines of credit. The mortgage is secured by WRIT's five Virginia multifamily properties.

Cash flow from operating activities totaled $74.7 million, $62.0 million and $53.2 million for the years ended December 31, 2001, 2000 and 1999, respectively, including net income of $52.4 million (net of $4.3 million gain on property sales), $45.1 million (net of $3.6 million gain on property sales) and $44.3 million (net of $7.9 million gain on property sales), respectively, and depreciation and amortization of $26.7 million, $22.7 million and $19.6 million, respectively. The increase in cash flows from operating activities in 2001 and 2000 was primarily due to real estate acquisitions, increased operating income from previously owned properties and the resultant increase in net income.

Cash flows used in investing activities totaled $65.7 million, $37.4 million and $49.9 million for the years ended December 31, 2001, 2000 and 1999, respectively. The increase in cash flows used in investing activities in 2001 from 2000 is attributable to an increase in real estate acquisitions offset by lower capital improvements and higher net proceeds for the property sale in 2001. The decline in cash flows used in investing activities in 2000 from 1999 is attributable to a reduction in real estate acquisitions and lower net proceeds from the sale of real estate.

Cash flows provided by financing activities were $11.0 million for the year ended December 31, 2001 compared to cash flows used in financing activities of $22.9 million and $3.2 million for the years ended December 31, 2000 and December 31, 1999, respectively. Cash flows provided by financing activities in 2001 compared to 2000 increased as a result of the $53.1 million proceeds from the 2001 public offering and an increase in share options exercised offset by increased dividend payments in 2001. Cash flows used in financing activities in 2000 compared to 1999 increased as a result of increased dividend payments in 2000, increased line of credit repayments in excess of advances, offset by net proceeds from the debt offering in 2000.

Rental revenue has been the principal source of funds to pay WRIT's operating expenses, interest expense and dividends to shareholders. In 2001, 2000 and

1999, WRIT paid dividends totaling $49.7 million, $44.0 million and $41.3 million, respectively.

CAPITAL IMPROVEMENTS

Capital improvements of $14.0 million were completed in 2001, including tenant improvements. Capital improvements to WRIT properties in 2000 and 1999 were approximately $16.3 million and $18.4 million, respectively.

WRIT's capital improvement costs for 1999 - 2001 were as follows (in thousands):

<TABLE>
<CAPTION>

	Year Ended December 31,		
	2001	2000	1999
<S>	<C>	<C>	<C>
Accretive capital improvements:			
Acquisition related	$3,528	$ 1,640	$ 5,716
Expansions and major renovations	794	892	5,929
Tenant improvements	4,096	6,342	2,342
Total Accretive capital improvements	8,418	8,874	13,987
Other:	5,597	7,394	4,384
Total	$14,015	$ 16,268	$ 18,371

</TABLE>

Accretive Capital Improvements

Acquisition Related - These are capital improvements to properties acquired during the current and preceding two years which were planned during WRIT's investment analysis. In 2001 the most significant of these improvements were made to Wayne Plaza, One Central Plaza, Courthouse Square and Avondale Apartments. In 2000, the most significant of these improvements were made to Pickett Industrial Center, Northern Virginia Industrial Park, Earhart Building, South Washington Street, Bethesda Hill Apartments and Munson Hill Towers. In 1999, the most significant of these improvements were made to 7900 Westpark Drive, Woodburn Medical Park, Bethesda Hill Apartments, Ammendale Technology Park II and Northern Virginia Industrial Park.

Expansions and Major Renovations - Expansions increase the rentable area of a property. Major renovations are improvements sufficient to increase the income otherwise achievable at a property. In February 2001, WRIT acquired an apartment building at 1611 North Clarendon Boulevard adjacent to WRIT's 1600 Wilson Boulevard office property with the intent of developing a high-rise apartment building on that site utilizing the available density rights from both properties. Expansion costs in 2001 include costs associated with this development as well as a facade renovation of Westminster Shopping Center. 2000 expansion costs were related to the final costs associated with the expansion at 7900 Westpark Drive. During 1999, WRIT completed the 49,000 square foot expansion at 7900 Westpark Drive. WRIT also completed the renovation of the Bradlee Shopping Center during 1999.

Tenant Improvements - Tenant Improvements are costs associated with commercial lease transactions such as painting, carpeting and other space build-out.

WRIT's average Tenant Improvement Costs for 1999 - 2001 per square foot of space leased were as follows:

<TABLE>
<CAPTION>

	Year Ended December 31,		
	2001	2000	1999
<S>	<C>	<C>	<C>
Office Buildings	$4.56	$4.71	$4.59
Retail Centers	$2.65	$1.81	$0.69

Industrial/Flex Properties	$0.17	$1.47	$0.55

</TABLE>

The Retail and Industrial Tenant Improvement costs are substantially lower than Office Improvement costs due to the tenant improvements required in these property types being substantially less extensive than in offices. WRIT believes its office tenant improvement costs are among the lowest in the industry for a number of reasons. Approximately 69% of our office tenants renew their leases with WRIT. Renewing tenants generally require minimal tenant improvements. In addition, lower tenant improvement costs are one of the many benefits of WRIT's focus on leasing to smaller office tenants. Smaller office suites have limited configuration alternatives. Therefore, WRIT is often able to lease an existing suite with tenant improvements being limited to new paint and carpet.

Other Capital Improvements
- --------------------------

Other Capital Improvements are those not included in the above categories. These are also referred to as recurring capital improvements. Over time these costs will be reincurred to maintain a property's income and value. In the Trust's residential properties, these include new appliances, flooring, cabinets, bathroom fixtures, and the like. These improvements are made as needed upon vacancy of an apartment and averaged $958 for the 39% of apartments turned over in 2001. In 2001, WRIT also expensed an average of $355 per apartment turnover for items which do not have a long-term life and are, therefore, not capitalized.

FORWARD-LOOKING STATEMENTS
- --------------------------

This Annual Report contains forward-looking statements which involve risks and uncertainties. Such forward-looking statements include (a) WRIT's intention to invest in properties that it believes will continue to increase in income and value; (b) WRIT's belief that its real estate markets will continue to perform well in 2002; (c) WRIT's belief that external sources of capital will continue to be available and that additional sources of capital will be available from the sale of shares or notes; (d) WRIT's belief that it has the liquidity and capital resources necessary to meet its known obligations and to make additional property acquisitions and capital improvements when appropriate to enhance long-term growth and (e) other statements preceded by, followed by or that include the words "believes," "expects," "intends," "anticipates," "potential," "projects," "will" and other similar expressions.

WRIT claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for the foregoing statements. The following important factors, in addition to those discussed elsewhere in this Annual Report, could affect WRIT's future results and could cause those results to differ materially from those expressed in the forward-looking statements: (a) the economic health of WRIT's tenants; (b) the economic health of the Greater Washington-Baltimore region, or other markets WRIT may enter, including the effects of changes in Federal government spending; (c) the supply of competing properties; (d) inflation; (e) consumer confidence; (f) unemployment rates; (g) consumer tastes and preferences; (h) stock price and interest rate fluctuations; (i) WRIT's future capital requirements; (j) competition; (k) compliance with applicable laws, including those concerning the environment and access by persons with disabilities; (l) weather conditions; (m) the effects of changes in capital availability to the technology and biotechnology sectors of the economy, and (n) other factors discussed under the caption "Risk Factors."

RATIOS OF EARNINGS TO FIXED CHARGES AND DEBT SERVICE COVERAGE
- ---

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

<TABLE>
<CAPTION>

	Year Ended December 31,		
	2001	2000	1999
<S>	<C>	<C>	<C>

Earnings to fixed charges	2.78x	2.63x	2.61x
Debt service coverage	3.60x	3.40x	3.42x

</TABLE>

We computed the ratios of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations plus fixed charges. Fixed charges consist of interest expense, including interest costs capitalized, and the amortized costs of debt issuance.

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

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

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

The table below presents principal, interest and related weighted average interest rates by year of maturity, with respect to debt outstanding on December 31, 2001.

<TABLE>
<CAPTION>

	2002	2003	2004	2005	2006	Thereafter	Total	Fair Value
-	In thousands							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
DEBT (all fixed rate except lines of credit)								
Unsecured debt								
Principal	$ --	$50,000	$55,000	$ --	$50,000	$110,000	$265,000	$272,689
Interest	$19,230	$18,043	$15,311	$11,389	$10,180	$81,558	$155,711	
Average interest rate	7.37%	7.36%	7.33%	7.17%	7.11%	7.33%	7.32%	
Mortgages								
Principal amortization (30 year schedule)	$1,177	$7,651	$1,113	$ 26,638	$ 302	$ 57,845	$ 94,726	$ 98,786
Interest	$7,129	$6,456	$6,383	$ 5,790	$4,282	$ 13,505	$ 43,545	
Average interest rate	7.42%	7.30%	7.30%	7.30%	7.09%	7.01%	7.17%	

</TABLE>

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data listed under Item 14 (a) and filed as part of this report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Certain information required by Part III is omitted from this report in that the Registrant will file a definitive proxy statement pursuant to Regulation 14A (the "Proxy Statement") no later than 120 days after the end of the fiscal year covered by this report, and certain information included therein is incorporated herein by reference. Only those sections of the Proxy Statement which specifically address the items set forth herein are incorporated by reference. Such incorporation does not include the Performance Graph included in the Proxy Statement.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is hereby incorporated herein by reference to WRIT's 2002 Annual Meeting Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is hereby incorporated herein by reference to WRIT's 2002 Annual Meeting Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is hereby incorporated herein by reference to WRIT's 2002 Annual Meeting Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is hereby incorporated herein by reference to WIT's 2002 Annual Meeting Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

ITEM 14 (a). The following documents are filed as part of this Report:

1. Financial Statements: The following Financial Statements of Washington Real Estate Investment Trust and Reports of Independent Accountants are included in this Report:

   Report of Arthur Andersen LLP.

   Consolidated Balance Sheets at December 31, 2001 and 2000.

   Consolidated Statements of Income for the years ended December 31, 2001, 2000 and 1999.

   Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2001, 2000 and 1999.

   Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999.

   Notes to Consolidated Financial Statements.

2. Financial Statement Schedules: The following financial statement schedules of Washington Real Estate Investment Trust for the periods indicated are filed as part of this Report and should be read in conjunction with the Financial Statements of Washington Real Estate Investment Trust.

Schedule		Page
III	Real Estate and Accumulated Depreciation	51

Schedules not listed above have been omitted because they are not applicable, are not required or the information to be set forth therein is included in the Financial Statements or Notes thereto.

3. Exhibits:

   3. Declaration of Trust and Bylaws

(a) Declaration of Trust. Incorporated herein by reference to Exhibit 3 to the Trust's registration statement on Form 8-B dated July 10, 1996.

(b) Bylaws. Incorporated herein by reference to Exhibit 4 to the Trust's registration statement on Form 8-B dated July 10, 1996.

(c) Amendment to Declaration of Trust dated September 21, 1998. Incorporated herein by reference to Exhibit 3 to the Trust's Form 10-Q dated November 13, 1998.

(d) Articles of Amendment to Declaration of Trust dated June 24, 1999 incorporated by reference to Exhibit 4c to Amendment No. 1 to the Trust's Form S-3 registration statement filed with the Securities and Exchange Commission as of July 14, 1999.

(e) Amendment to Bylaws dated February 21, 2002, attached hereto.

4.

(a) Amended and restated credit agreement dated March 17, 1999 between Washington Real Estate Investment Trust, as borrower, Bank One, as lender (successor by merger to The First National Bank of Chicago), and Bank One as agent. /(1)/

(b) Amended and restated credit agreement dated July 25, 1999, among Washington Real Estate Investment Trust, as borrower, Suntrust Bank (successor by merger to Crestar Bank), as lender, First Union National Bank (successor by merger to Signet Bank), as lender, and Suntrust Bank, as agent. /(1)/

(c) Indenture dated as of August 1, 1996 between Washington Real Estate Investment Trust and The First National Bank of Chicago. /(2)/

(d) Officers' Certificate Establishing Terms of the Notes, dated August 8, 1996. /(2)/

(e) Form of 2003 Notes. /(2)/

(f) Form of 2006 Notes. /(2)/

(g) Form of MOPPRS Notes. /(3)/

(h) Form of 30 year Notes. /(3)/

(i) Remarketing Agreement. /(3)/

(j) Form of 2004 fixed-rate notes. /(4)/

(k) The Trust is a party to a number of other instruments defining the rights of holders of long-term debt. No such instrument authorizes an amount of securities in excess of 10 percent of the total assets of the Trust and its Subsidiaries on a consolidated basis. On request, the Trust agrees to furnish a copy of each such instrument to the Commission.

10. Management contracts, plans and arrangements

(a) Employment Agreement dated May 11, 1994 with Edmund B. Cronin, Jr. /(5)/

(b) 1991 Incentive Stock Option Plan, as amended. /(5)/

(c) Nonqualified Stock Option Agreement dated December 14, 1994 with Edmund B. Cronin, Jr. /(5)/

(d) Nonqualified Stock Option Agreement dated December 19, 1995 with Edmund B. Cronin, Jr. Incorporated herein by reference to Exhibit 10(e) to the 1995 Form 10-K.

(e) Share Grant Plan. /(6)/

(f) Share Option Plan for Trustees. /(6)/

(g) Deferred Compensation Plan for Executives dated January 1, 2000, incorporated herein by reference to Exhibit 10(g) to the 2001 Form 10-K.

(h) Split-Dollar Agreement dated April 1, 2000, incorporated herein by reference to Exhibit 10(h) to the 2001 Form 10-K.

(i) 2001 Stock Option Plan incorporated herein by reference to Exhibit A to 2001 Proxy Statement dated March 29, 2001.

12. Computation of Ratios of Earnings to fixed charges and Preferred Dividends

21. Subsidiaries of Registrant

In 1995, WRIT formed a subsidiary partnership, WRIT Limited Partnership, a Maryland limited partnership, in which WRIT owns 100% of the partnership interest.

In 1998, WRIT formed a subsidiary limited liability company, WRIT-NVIP, L.L.C., a Virginia limited liability company, in which WRIT owns 93% of the membership interest. The 7% minority ownership interest is discussed further in Note 2 to the financial statements.

23. Consents

(a) Consent of Arthur Andersen LLP

99. Exhibits

(a) Letter regarding Arthur Andersen's representation to the Trust in accordance with Temporary Note 3T to Article 3 of Regulation S-X.

ITEM 14 (b). REPORTS ON FORM 8-K

None

/(1)/ Incorporated herein by reference to the Exhibits of the same designation to the Trust's Form 10-K filed March 24, 2000.

/(2)/ Incorporated herein by reference to the Exhibit of the same designation to the Trust's Form 8-K filed August 13, 1996.

/(3)/ Incorporated herein by reference to the Exhibit of the same designation to the Trust's Form 8-K filed February 25, 1998.

/(4)/ Incorporated herein by reference to Exhibit 4(b) to the Trust's Form 8-K filed August 14, 2000.

/(5)/ Incorporated herein by reference to the Exhibit of the same designation to Amendment No. 2 to the Trust's Registration Statement on Form S-3 filed July 17, 1995.

/(6)/ Incorporated herein by reference to Exhibits 4(a) and 4(b), respectively, to the Trust's Registration Statement on Form S-8 filed on March 17, 1998.

SIGNATURES

Pursuant to the requirements of Section 13 and 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WASHINGTON REAL ESTATE INVESTMENT TRUST

Date: April 1, 2002

By: /s/ Edmund B. Cronin, Jr.

Edmund B. Cronin, Jr.
President, Chief Executive Officer,
Chairman and Trustee

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacitates and on the dates indicated.

<TABLE>
<CAPTION>

Signature	Title	Date

- ---------	------	----
<S>	<C>	<C>
/s/ John M. Derrick, Jr. John M. Derrick, Jr.	Trustee	April 1, 2002
/s/ Clifford M. Kendall Clifford M. Kendall	Trustee	April 1, 2002
/s/ John P. McDaniel John P. McDaniel	Trustee	April 1, 2002
/s/ Charles T. Nason Charles T. Nason	Trustee	April 1, 2002
/s/ David M. Osnos David M. Osnos	Trustee	April 1, 2002
/s/ Susan J. Williams Susan J. Williams	Trustee	April 1, 2002
/s/ Laura M. Franklin Laura M. Franklin	Managing Director Accounting and Administration	April 1, 2002

</TABLE>

Report of Independent Public Accountants

To the Shareholders of
Washington Real Estate Investment Trust:

We have audited the accompanying consolidated balance sheets of Washington Real Estate Investment Trust (the "Trust," a Maryland real estate investment trust) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial statement schedule included on pages 47 through 49 of the Form 10-K is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

/s/ Arthur Andersen, LLP

Vienna, Virginia
February 20, 2002

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2001 AND 2000
(IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Assets		
Land	$151,782	$142,811
Building	622,804	555,702
Total real estate, at cost	774,586	698,513
Accumulated depreciation	(122,625)	(100,906)
Total investment in real estate, net	651,961	597,607
Cash and cash equivalents	26,441	6,426
Rents and other receivables, net of allowance for doubtful accounts of $1,993 and $1,743, respectively	10,523	9,795
Prepaid expenses and other assets	19,010	19,587
Total assets	$707,935	$633,415
Liabilities and shareholders' equity		
Accounts payable and other liabilities	$ 13,239	$ 13,048
Advance rents	3,604	3,269
Tenant security deposits	6,148	5,624
Mortgage notes payable	94,726	86,260
Notes payable	265,000	265,000
Total liabilities	382,717	373,201
Minority interest	1,611	1,558
Shareholders' equity		
Shares of beneficial interest, $.01 par value; 100,000 shares authorized: 38,829 and 35,740 shares issued and outstanding, respectively	388	357
Additional paid in capital	323,257	261,004
Retained earnings (deficit)	(38)	(2,705)
Total shareholders' equity	323,607	258,656
Total liabilities and shareholders' equity	$707,935	$633,415

</TABLE>

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
(IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>	1999 <C>
Real estate rental revenue	$148,424	$134,732	$118,975
Real estate expenses			
Utilities	8,351	7,682	7,298
Real estate taxes	10,307	9,347	8,496
Repairs and maintenance	6,148	5,580	4,765
Administrative	3,068	2,753	2,520
Management fees	4,669	4,195	3,693
Operating services and supplies	5,864	5,459	4,856
Common area maintenance	2,074	1,961	1,850

Other expenses	1,666	1,339	1,803
Total real estate expenses	42,147	38,316	35,281
Operating income	106,277	96,416	83,694
Depreciation and amortization	26,735	22,723	19,590
Income from real estate	79,542	73,693	64,104
Other income	1,686	943	732
Interest expense	(27,071)	(25,531)	(22,271)
General and administrative expenses	(6,100)	(7,533)	(6,173)
Income before gain on sale of real estate	48,057	41,572	36,392
Gain on sale of real estate	4,296	3,567	7,909
Net income	$ 52,353	$ 45,139	$ 44,301
Basic earnings per share	$ 1.39	$ 1.26	$ 1.24
Diluted earnings per share	$ 1.38	$ 1.26	$ 1.24
Weighted Average Shares Outstanding - Basic	37,674	35,735	35,714
Weighted Average Shares Outstanding - Diluted	37,674	35,735	35,714

</TABLE>

The accompanying notes are an integral part of these statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 and 1999
(IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	Shares <C>	Shares of Beneficial Interest at Par Value <C>	Additional Paid in Capital <C>	Retained Earnings (Deficit) <C>	Equity <C>
Balance, December 31, 1998	35,692	$357	$260,225	$ (6,849)	$253,733
Net income	--	--	--	44,301	44,301
Dividends	--	--	--	(41,341)	(41,341)
Share options exercised	20	--	286	--	286
Share Grants	9	--	210	--	210
Balance, December 31, 1999	35,721	357	260,721	(3,889)	257,189
Net income	--	--	--	45,139	45,139
Dividends	--	--	--	(43,955)	(43,955)
Share options exercised	7	--	100	--	100
Share Grants	12	--	183	--	183

Balance, December 31, 2000	35,740	357	261,004	(2,705)	258,656
Net income	--	--	--	52,353	52,353
Dividends	--	--	--	(49,686)	(49,686)
Share options exercised	518	5	8,464	--	8,469
Share Grants	36	1	706	--	707
Share offering	2,535	25	53,083	--	53,108
Balance, December 31, 2001	$38,829	$388	$323,257	$ (38)	$323,607

</TABLE>

The accompanying notes are an integral part of these statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 and 1999
(IN THOUSANDS)

<TABLE>
<CAPTION>

	2001	2000	1999
<S>	<C>	<C>	<C>
Cash flows from operating activities			
Net income	$ 52,353	$ 45,139	$ 44,301
Adjustments to reconcile net income to cash provided by operating activities:			
Gain on sale of real estate	(4,296)	(3,567)	(7,909)
Depreciation and amortization	26,736	22,723	19,590
Increases in other assets	(1,949)	(3,382)	(1,954)
Increases (decreases) in other liabilities	1,609	834	(985)
Share Grants	219	227	177
Cash provided by operating activities	74,672	61,974	53,220
Cash flows from investing activities			
Real estate acquisitions, net*	(59,250)	(26,581)	(53,197)
Improvements to real estate	(14,015)	(16,268)	(18,371)
Non-real estate capital improvements	(538)	(267)	(350)
Net proceeds from sale of real estate	8,115	5,732	22,033
Cash used in investing activities	(65,688)	(37,384)	(49,885)
Cash flows from financing activities			
Net proceeds from share offering	53,083	--	--
Dividends paid	(49,686)	(43,955)	(41,341)
Line of credit advances	43,000	21,000	33,000
Repayments of lines of credit	(43,000)	(54,000)	(44,000)
Proceeds from mortgage notes payable	--	--	49,225
Mortgage principal payments	(843)	(778)	(594)
Net proceeds from debt offering	--	54,753	--
Net proceeds from the exercise of share options	8,477	100	496
Cash provided by (used in) financing activities	11,031	(22,880)	(3,214)
Net increase in cash and cash equivalents	20,015	1,710	121
Cash and cash equivalents, beginning of year	6,426	4,716	4,595
Cash and cash equivalents, end of year	$ 26,441	$ 6,426	$ 4,716
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 25,866	$ 24,001	$ 18,968

</TABLE>

*Supplemental schedule of non-cash investing and financing activities

On November 1, 2001, WRIT purchased Sullyfield Center for an acquisition cost of $21.7 million. WRIT assumed a mortgage in the amount of $8.5 million and paid the balance in cash. The $8.5 million of assumed mortgage is not included in the $59.3 million amount shown as 2001 real estate acquisitions.

On September 20, 1999, WRIT purchased Avondale Apartments for an acquisition cost of $13.0 million. WRIT assumed a mortgage in the amount of $8.7 million and paid the balance in cash. The $8.7 million of assumed mortgage is not included in the $53.2 million amount shown as 1999 real estate acquisitions.

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 and 1999

1. Nature of Business:

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

Federal Income Taxes

WRIT operates in a manner intended to enable it to qualify as a real estate investment trust (REIT) under the Internal Revenue Code (the "Code"). In accordance with the Code, a trust which distributes its capital gains and at least 90 percent of its taxable income to its shareholders each year (95% for years prior to 2001), and which meets certain other conditions, will not be taxed on that portion of its taxable income which is distributed to its shareholders. WRIT believes it qualifies as a REIT and has distributed all of its taxable income for the fiscal years through 2001 in accordance with the provisions of the Code. Accordingly, no provision for federal income taxes is required.

2. Accounting Policies:

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Trust and its majority owned subsidiaries, after eliminating all intercompany transactions.

New Accounting Pronouncements

Impairment or Disposal of Long-Lived Assets

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". SFAS No. 144 is effective for all quarters of fiscal years beginning after December 15, 2001. At December 31, 2001, WRIT held one property under contract for sale which sold subsequent to this date (see Note 15). WRIT recognized no impairment on this property prior to or upon sale.

Derivative Instruments and Hedging Activities

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", was issued. This statement (as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of SFAS No. 133) establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. This statement is effective for all fiscal quarters of fiscal years beginning after January 1, 2001. Although WRIT currently has no derivative instruments, this statement will affect the reporting of derivative instruments acquired by WRIT in future periods. WRIT has entered into interest rate protection agreements in the past to reduce its exposure to interest rate risk on anticipated borrowings. The costs (if any) of such agreements which qualify for hedge accounting are included in other assets and are amortized over the interest rate protection agreement term. In the event that interest rate protection agreements that qualify for hedge accounting are terminated or closed out, the associated gain or loss is deferred and amortized over the term of the underlying hedged asset or liability. Amounts to be paid or received under interest rate protection agreements are accrued currently and are netted with interest expense for financial statement presentation purposes.

Revenue Recognition

Residential properties are leased under operating leases with terms of generally one year or less, and commercial properties are leased under operating leases with average terms of three to five years. WRIT recognizes rental income and rental abatements from the company's residential and commercial leases when earned in accordance with SFAS No. 13. WRIT records an allowance for doubtful accounts equal to the estimated uncollectible amounts. This estimate is based on WRIT's historical experience and a review of the current status of the company's receivables. Contingent rents are recorded when cumulative sales exceed the amount necessary for the contingent rents to equal minimum annual rent and WRIT has been informed of cumulative sales data; thereafter, percentage rent is accrued based on subsequent sales.

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

Minority Interest

WRIT entered into an operating agreement with a member of the previous ownership entity of Northern Virginia Industrial Park in conjunction with the acquisition of this property in May 1998. This resulted in a minority ownership interest in this property based upon defined company ownership units at the date of purchase. WRIT accounts for this activity by allocating the percentage ownership interest of the net operating income of the property to minority interest. Quarterly distributions are made to the minority owner equal to the quarterly dividend per share for each ownership unit.

Deferred Financing Costs

Costs associated with the issuance of mortgage and other notes and draws on lines of credit are capitalized and amortized using the effective interest rate method over the term of the related notes and are included in interest expense on the accompanying statements of income.

The amortized debt costs included in interest expense totaled $1.1 million, $1.0 million and $1.0 million for the years ended December 31, 2001, 2000 and 1999, respectively.

Real Estate and Depreciation

Buildings are depreciated on a straight-line basis over estimated useful lives not exceeding 50 years. All capital improvement expenditures associated with replacements, improvements, or major repairs to real property are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 30 years. All tenant improvements are amortized over the shorter of the useful life or the term of the lease. Maintenance and repair costs are charged to expense as incurred.

WRIT recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the net undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such carrying amount is in excess of the estimated projected operating cash flows of the property, WRIT would recognize an impairment loss equivalent to an amount required to adjust the carrying amount to the estimated fair market value. There were no property impairments recognized during the three-year period ending December 31, 2001. In accordance with SFAS No. 66, "Accounting for Sales of Real Estate," sales are recognized at closing only when sufficient down payments have been obtained, possession and other attributes of ownership have been transferred to the buyer and the Trust has no significant continuing involvement. The gain or loss resulting from the sale of properties is included in net income at the time of sale.

Cash and Cash Equivalents

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

Stock Based Compensation

WRIT maintains Incentive Stock Option Plans as described in Note 8 which include qualified and non-qualified options for eligible employees. Stock options are accounted for in accordance with APB 25, whereby if options are priced at fair market value or above at the date of grant, no compensation expense is recognized.

Comprehensive Income

WRIT has no items of comprehensive income that would require separate reporting in the accompanying consolidated statements of income.

Earnings Per Common Share

The Trust calculates basic and diluted earnings per share in accordance with SFAS No. 128, "Earnings Per Share." "Basic earnings per share" is computed as net income divided by the weighted-average common shares outstanding. "Diluted earnings per share" is computed as net income divided by the total weighted-average common shares outstanding plus the effect of dilutive common equivalent shares outstanding for the period. Dilutive common equivalent shares reflect the assumed issuance of additional common shares pursuant to certain of the Trust's share based compensation plans (see Note 8) that could potentially reduce or "dilute" earnings per share, based on the treasury stock method.

The weighted-average number of shares outstanding for the years ended December 31, 2001, 2000 and 1999 were 37.7 million, 35.7 million and 35.7 million, respectively, and 38.0 million, 35.9 million and 35.7 million on a diluted basis for the years ended December 31, 2001, 2000 and 1999, respectively.

Use of Estimates in the Financial Statements

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

Reclassifications

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

3. Real Estate Investments:

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

	December 31, 2001	December 31, 2000
	(In thousands)	
Office buildings	$431,213	$383,530
Retail centers	95,626	94,900
Multifamily	106,381	102,142
Industrial/Flex properties	141,366	117,941
	$774,586	$698,513

WRIT's results of operations are dependent on the overall economic health of its tenants and the specific segments in which WRIT holds properties, as well as the overall economic health of the markets in which it owns property. These segments include commercial office, multifamily, retail and industrial. Although all sectors are affected by external factors, such as inflation, consumer confidence, unemployment rates and consumer tastes and preferences, the retail segment is particularly sensitive to such factors. A decline in the retail sector of the economy could reduce merchant sales, which could adversely affect the operating results of WRIT. WRIT's retail properties provided 13% of total revenue and 23% of net income for the year ended December 31, 2001, 14% and 33% of total revenue and net income, respectively, for the year ended December 31, 2000 and 15% of total revenue and 25% of net income for the year ended December 31, 1999.

As of December 31, 2001, 7900 Westpark office building accounted for 11 percent of total real estate assets and 9 percent of total revenues. No other single property or tenant accounted for more than 10 percent of total assets or total revenues.

Properties acquired by WRIT during the years ending December 31, 2001, 2000 and 1999 are as follows:

Acquisition Date	Property	Type	Rentable Square Feet	Acquisition Cost (In thousands)
February 15, 2001	1611 North Clarendon	Multifamily	11,000	$1,521
April 19, 2001	One Central Plaza	Office	274,000	44,549
November 1, 2001	Sullyfield Commerce Center	Industrial	248,000	21,742
		Total 2001	533,000	$67,812
February 29, 2000	833 S. Washington Street	Retail	6,000	$1,400
May 5, 2000	962 Wayne Plaza	Office	91,000	7,800
August 9, 2000	Munson Hill Towers Land Lease	Multifamily	N/A	300
October 10, 2000	Courthouse Square	Office	113,000	17,100
		Total 2000	210,000	$26,600
January 27, 1999	Dulles South IV	Industrial	83,000	$6,909
April 16, 1999	Sully Square	Industrial	95,000	7,557
May 21, 1999	600 Jefferson Plaza	Office	115,000	14,472
May 21, 1999	1700 Research Boulevard	Office	103,000	12,941
September 10, 1999	Amvax	Industrial	32,000	2,231
September 20, 1999	Avondale (236 units)	Multifamily	162,000	12,908
November 30, 1999	Parklawn Plaza	Office	40,000	4,764
		Total 1999	630,000	$61,782

WRIT accounted for each acquisition using the purchase method of accounting.

Properties sold by WRIT during the years ending December 31, 2001, 2000 and 1999 are as follows:

Disposition Date	Property	Type	Rentable Square Feet	Sales Price (In thousands)
September 28, 2001	10400 Connecticut Avenue	Office	65,000	$8,400
February 29, 2000	Prince William Plaza	Retail	55,000	$2,800
July 7, 2000	Westminster parcel	Retail parcel	10,000	425
August 22, 2000	Clairmont Center	Retail	40,000	3,000
		Total 2000	105,000	$6,225
February 5, 1999	444 North Frederick Avenue	Office	66,000	$5,671
February 5, 1999	Arlington Financial Center	Office	51,000	9,798
February 5, 1999	Department of Commerce	Industrial	105,000	7,031
February 26, 1999	V Street Distribution Center	Industrial	31,000	600
		Total 1999	253,000	$23,100

The total revenues and net income for 10400 Connecticut Avenue in 2001 were $1.0 million and $0.4 million, respectively. The retail properties disposed in the year ended December 31, 2000 resulted in total revenues and net income of $0.4 million and $0.2 million, respectively. The office and industrial properties disposed in the year ended December 31, 1999 resulted in total revenues and net income of $0.4 million and $0.3 million, respectively.

4. Mortgage Notes Payable:

On August 22, 1995, WRIT assumed a $7.8 million mortgage note payable as partial consideration for WRIT's acquisition of Frederick County Square retail center. The mortgage bears interest at 9.00 percent per annum. Principal and interest are payable monthly until January 1, 2003, at which time all unpaid principal and interest are payable in full.

On November 30, 1998, WRIT assumed a $9.2 million mortgage note payable and a $12.4 million mortgage note payable as partial consideration for WRIT's acquisition of Woodburn Medical Park I and II. Both mortgages bear interest at 7.69 percent per annum. Principal and interest are payable monthly until September 15, 2005, at which time all unpaid principal and interest are payable in full.

On September 20, 1999, WRIT assumed an $8.7 million mortgage note payable as partial consideration for WRIT's acquisition of the Avondale Apartments. The mortgage bears interest at 7.88 percent per annum. Principal and interest are payable monthly until November 1, 2005, at which time all unpaid principal and interest are payable in full.

On September 27, 1999, WRIT executed a $50.0 million mortgage note payable secured by Munson Hill Towers, Country Club Towers, Roosevelt Towers, Park Adams Apartments, and the Ashby Apartments. The mortgage bears interest at 7.14 percent per annum and is payable monthly until October 1, 2009, at which time all unpaid principal and interest are payable in full. These funds were used to repay advances on WRIT's lines of credit.

On November 1, 2001, WRIT assumed an $8.5 million mortgage note payable, fair valued at $9.3 million, as partial consideration for WRIT's acquisition of Sullyfield Commerce Center. The mortgage bears interest at 9.00 percent per annum. Principal and interest are payable monthly until February 1, 2007, at which time all unpaid principal and interest are payable in full. In accordance with the purchase method of accounting, the mortgage was fair valued at $9.3 million resulting in an adjustment to the basis of this property.

Scheduled principal payments during the five years subsequent to December 31, 2001 and thereafter are as follows:

	(In thousands)
2002	$ 1,177
2003	7,651
2004	1,113
2005	26,638
2006	302
Thereafter	57,845
	$94,726

5. Unsecured Lines of Credit Payable:

During 2001, WRIT maintained two unsecured lines of credit: a $25.0 million line of credit ("Credit Facility No. 1") and a $50.0 million line of credit ("Credit Facility No. 2").

Credit Facility No. 1

WRIT had $0 outstanding as of December 31, 2001 and 2000 related to Credit Facility No. 1.

The following advances have been made under this commitment:

<TABLE>
<CAPTION>

Advance Date	Date Paid in Full	Amount (In thousands)	2001 Rate	2000 Rate	1999 Rate
<S>	<C>	<C>	<C>	<C>	<C>
May 1999	July 1999	$12,000	--	--	5.67%
Mar. - Sept. 1999	Jan. - March 2000	22,000	--	6.33%	6.33%
Jan. - March 2000	November 2000	$22,000	--	7.33%	--

</TABLE>

Prior to March 17, 1999, all new advances and interest rate adjustments, upon the expiration of WRIT's interest lock-in dates, bore interest at LIBOR plus a spread based on WRIT's public debt rating. All unpaid interest and principal could be prepaid prior to the expiration of WRIT's interest rate lock-in periods subject to a yield maintenance obligation.

On March 17, 1999, WRIT executed an amended and restated agreement extending the maturity date to March 17, 2002. Under the amended agreement, WRIT may choose either a Corporate Base Rate ("CBR") or a LIBOR advance. Both advances have interest rates based on the applicable rate plus a spread based on the most recent ratings from Moody's and/or S&P for WRIT's long-term unsecured debt. Negotiations for renewal of this line of credit are under discussion.

This $25.0 million credit commitment requires WRIT to pay quarterly to the lender an unused commitment fee at the rate of 0.375 percent per annum on the amount by which the $25.0 million commitment exceeds the balance of outstanding advances and term loans. At both December 31, 2001 and 2000, $25.0 million of this commitment was unused and available for subsequent acquisitions or capital improvements. This commitment also contains certain financial and non-financial covenants including debt service coverage, net worth, and permitted indebtedness ratios, which WRIT has met as of December 31, 2001. In addition, this commitment requires approval to be obtained from the lender for purchases by the Trust over an agreed upon amount.

Credit Facility No. 2

WRIT had $0 outstanding as of December 31, 2001 and 2000 related to Credit Facility No. 2.

The following advances have been made under this commitment:

Advance Date	Date Paid in Full	Amount (In thousands)	2001 Rate	2000 Rate	1999 Rate	1998 Rate
May 1998	July 1999	$13,000	--	--	5.54%	5.54% - 6.39%
June 1998	June 1999	4,000	--	--	6.02%	6.02% - 6.39%
Sept. - Nov. 1998	March - May 1999	27,000	--	--	5.85%	5.85%
Jan. - Sept. 1999	July - Sept. 1999	51,000	--	--	5.90%	--
Sept. - Nov. 1999	June - Aug. 2000	11,000	--	--	6.72%	--
March 2000	November 2000	2,000	--	7.45%-7.81%	--	--
May 2000	November 2000	5,000	--	7.80%-7.81%	--	--
June 2000	November 2000	7,000	--	6.64%-7.81%	--	--
August 2000	November 2000	4,000	--	6.86%-7.51%	--	--
October 2000	November 2000	14,000	--	7.46%	--	--
April 19, 2001	April 27, 2001	$43,000	5.38%	--	--	--

On July 25, 1999, WRIT executed an agreement to amend and restate the original Credit Facility No. 2 agreement. All unpaid interest and principal are due July 2002 and can be prepaid prior to this date without any prepayment fee or yield maintenance obligation. Any new advances shall bear interest at LIBOR plus a spread based on WRIT's public debt rating. Negotiations for renewal of this line of credit are under discussion.

Credit Facility No. 2 provides WRIT the option to convert any advances or portions thereof into a term loan at any time through July 2002. The principal amount of each term loan, if any, shall be repaid in July 2002.

This $50.0 million credit commitment requires WRIT to pay the lender an unused commitment fee ranging from 0.15 to 0.25 percent per annum based on WRIT's public debt rating. The fee is paid on the amount by which the $50.0 million commitment exceeds the balance of outstanding advances and term loans. At December 31, 2001 and 2000, $50.0 million and $50.0 million, respectively, of this commitment was unused. This fee is paid quarterly in arrears. This commitment also contains certain financial covenants including cash flow to debt service, net worth, capitalization and permitted indebtedness ratios, which WRIT has met as of December 31, 2001.

Credit Facility No. 1 and No. 2 contain certain financial and non-financial covenants, all of which WRIT has met as of December 31, 2001. The covenants at present require insurance coverage for all perils or special form types of insurance. The loan documents currently make no specific reference to terrorism insurance. WRIT believes it is currently covered against such acts under the insurance coverage in full force and effect until renewal in September 2002. WRIT anticipates obtaining additional insurance coverage at higher costs upon renewal; however, the Trust's financial condition and results of operations are subject to the risks associated with acts of terrorism and the potential for uninsured losses as the result of any such act.

Information related to short-term borrowings are as follows (in thousands):

	2001	2000
Maximum Amount Outstanding	$43,000	$54,000
Average Amount Outstanding	$43,000	$33,734
Weighted Average Interest Rate	5.38%	7.22%

The 2001 average balance was based on the individual borrowing outstanding for eight days during this period, and the 2000 average balance represented multiple borrowings outstanding from January through November 2000.

6. Senior and Medium-Term Notes Payable:

Senior Notes

On August 13, 1996 WRIT sold $50.0 million of 7.125 percent 7-year unsecured notes due August 13, 2003, and $50.0 million of 7.25 percent unsecured 10-year notes due August 13, 2006. The 7-year notes were sold at 99.107 percent of par and the 10-year notes were sold at 98.166 percent of par. Net proceeds to the Trust after deducting underwriting expenses were $97.6 million. The 7-year notes bear an effective interest rate of 7.46 percent, and the 10-year notes bear an effective interest rate of 7.49 percent, for a combined effective interest rate of 7.47 percent. WRIT used the proceeds of these notes to repay advances on the Trust's lines of credit and to finance acquisitions and capital improvements. These notes do not require any principal payment and are due in full at maturity.

Medium-Term Notes

On February 20, 1998, WRIT sold $50.0 million of 7.25 percent unsecured notes due February 25, 2028 at 98.653 percent to yield approximately 7.36 percent. WRIT also sold $60.0 million in unsecured Mandatory Par Put Remarketed Securities ("MOPPRS") at an effective borrowing rate through the remarketing date (February 2008) of approximately 6.74 percent. The net proceeds to WRIT after deducting loan origination fees was $102.8 million. WRIT used the proceeds of these notes for general business purposes, including repayment of outstanding advances under the Trust's lines of credit and to finance acquisitions and capital improvements to its properties. WRIT's costs of the borrowings and related closed hedge settlements of approximately $7.2 million are amortized over the lives of the notes using the effective interest method. These notes do not require any principal payment and are due in full at maturity.

On November 6, 2000, WRIT sold $55.0 million of 7.78 percent unsecured notes due November 2004. The notes bear an effective interest rate of 7.89 percent. Total proceeds to the Trust, net of underwriting fees, were $54.8 million. WRIT used the proceeds of these notes to repay advances on WRIT's lines of credit.

These notes contain certain financial and non-financial covenants, all of which WRIT has met as of December 31, 2001. The covenants at present require insurance coverage for all perils or special form types of insurance. The loan documents currently make no specific reference to terrorism insurance. WRIT believes it is currently covered against such acts under the insurance coverage in full force and effect until renewal in September 2002. WRIT anticipates obtaining additional insurance coverage at higher costs upon renewal; however, the Trust's financial condition and results of operations are subject to the risks associated with acts of terrorism and the potential for uninsured losses as the result of any such act.

7. Dividends:

The following is a breakdown of the taxable percentage of WRIT's dividends for 2001, 2000 and 1999, respectively:

	Ordinary Income	Return of Capital
2001	100%	0%
2000	100%	0%
1999	100%	0%

8. Share Options and Grants:

WRIT maintains Incentive Stock Option Plans (the "Plans"), which include qualified and non-qualified options. As of December 31, 2001, 1.8 million shares may be awarded to eligible employees. Under the Plans, options, which are issued at market price on the date of grant, vest after not more than two years and expire ten years following the date of grant. WRIT adopted the Washington Real Estate Investment Trust 2001 Stock Option Plan ("New Stock Option Plan") to replace the 1991 Stock Option Plan ("Stock Option Plan") that expired on June 25, 2001. The New Stock Option Plan provides for the grant of incentive and non-qualified stock options to the company's employees. WRIT's Board of Trustees approved the New Stock Option Plan at a meeting held on May 22, 2001 by a unanimous consent, and WRIT's shareholders approved the New Stock Option Plan at WRIT's annual meeting of shareholders, held May 22, 2001. Activity under the Plans is summarized below:

<TABLE>
<CAPTION>

	2001		2000		1999	
	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price
Outstanding at January 1	1,621,000	$17.16	1,273,000	$15.87	806,000	$16.83
Granted	238,000	24.85	376,000	21.34	513,000	14.47
Exercised	(517,000)	16.39	(6,000)	15.21	(12,000)	15.89
Expired	(106,000)	18.11	(22,000)	14.74	(34,000)	17.28
Outstanding at December 31	1,236,000	18.88	1,621,000	17.16	1,273,000	15.87
Exercisable at December 31	856,000	16.87	1,008,000	16.31	560,000	16.54

</TABLE>

The 856,000 exercisable options outstanding at December 31, 2001 have exercise prices between $14.47 and $24.85, with a weighted-average exercise price of $16.87 and a weighted average remaining contractual life of 7.4 years. The remaining 380,000 options have exercise prices between $21.34 and $24.85, with a weighted average exercise price of $23.28 and a weighted average remaining contractual life of 9.6 years.

WRIT accounts for the Plan under APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for the Plan been determined consistent with SFAS No. 123, "Accounting for Stock-Based Compensation," WRIT's net income and earnings per share would have been reduced to the following pro-forma amounts:

<TABLE>
<CAPTION>

		2001	2000	1999
Net Income:	As Reported	$52,353	$45,139	$44,301
	Pro-Forma	51,523	44,214	43,419
Basic Earnings Per Share:	As Reported	1.39	1.26	1.24
	Pro-Forma	1.37	1.24	1.22
Weighted-average fair value of options granted		3.49	2.46	1.76
Weighted-average assumptions:				
Expected lives (years)		7	7	7
Risk free interest rate		5.08%	5.49%	6.42%
Expected volatility		19.81%	17.57%	21.05%
Expected dividend yield		5.29%	5.85%	7.12%

</TABLE>

The assumptions used in the calculations of weighted average fair value of options granted are as prescribed under accounting principles generally accepted in the United States. Such assumptions may not be the same as those used by the financial community and others in determining the fair value of such options.

WRIT has computed basic earnings per share and fully diluted earnings per share. The dilutive impact on basic weighted-average shares outstanding for the year ended December 31, 2001 resulted in a $0.01 reduction in net income per share. There was no impact of dilution of common equivalent shares on the basic weighted-average shares outstanding for the years ended December 31, 2001, 2000 and 1999.

During 2001 and 2000, WRIT issued 7,209 and 36,417 share grants, respectively, to executives and trustees of the Trust. The respective compensation expense was recorded based upon the share price at the grant date. The Board of Trustees awards share grants subject to Compensation Committee recommendations. The total share grants vested were 41,020 at December 31, 2001 and 15,430 at December 31, 2000.

9. Benefit Plans:

During 1996, management adopted an Incentive Compensation Plan ("the

Compensation Plan") for its senior personnel which is intended to align their compensation growth with shareholders' interests. Essentially, the Compensation Plan limits future salary increases and provides cash bonus incentives, share options under the Incentive Stock Option Plan and share grants under the Share Grant Plan based on financial performance of the Trust. The financial incentives to management are earned after WRIT has achieved a prescribed level of growth. The Stock Option Plan was adopted in 1991 and expired in June 2001. The New Stock Option Plan was approved and adopted effective June 2001. The Share Grant Plan is effective from 1996 forward and is reviewed by the Board of Trustees' Compensation Committee each year. The amounts charged to expense for the share grants were $0.2 million, $0.6 million and $0.2 million for the years ended December 31, 2001, 2000 and 1999, respectively.

In 1997, WRIT implemented a Retirement Savings Plan (the "Savings Plan"). It was established so that participants in the Savings Plan may elect to contribute a portion of their earnings to the Savings Plan, and WRIT may, at its discretion, make a voluntary contribution to the Savings Plan.

WRIT maintained a noncontributory defined benefit pension plan for all eligible employees through December 31, 1995. At December 31, 1995, all benefit accruals under the plan were frozen and thus the projected benefit obligation ("PBO") and the accumulated benefit obligation ("ABO") became equal. WRIT terminated the plan as of December 31, 1999, and final participant distributions were made in July 2000.

The Trust adopted a split dollar life insurance plan for senior officers, excluding the Chief Executive Officer, in 2000. It is intended that the Trust will recover its costs from the life insurance policies at death prior to retirement, termination prior to retirement or at retirement age 65. It is intended that the cash values of the policy in excess of the Trust's interest can be used by the executive. The Trust has a security interest in the cash value and death benefit of each policy to the extent of the sum of premium payments made by the Trust.

The Trust has adopted a non-qualified deferred compensation plan for the Chief Executive Officer and members of the Board of Trustees. The plan allows for a deferral of a percentage of annual cash compensation and trustee fees. Compensation deferred will be credited with interest equal to the Trust's current cost of borrowings. As an incentive, if the Chief Executive Officer should remain employed by WRIT until age 70, the compensation deferred will be credited with an additional 2.5 percent per annum. In the event of death or retirement prior to age 70, the compensation plus interest can be paid in either a lump sum or in equal installments plus interest at the discretion of the plan participant. The plan is unfunded and payments are to be made from general assets of the Trust.

10. Fair Value of Financial Instruments:

SFAS No. 107 requires disclosure of the fair value of financial instruments. Whenever possible, the estimated fair value has been determined using quoted market information as of December 31, 2001. The estimated fair value information presented is not necessarily indicative of amounts the Trust could realize currently in a market sale since the Trust may be unable to sell such instruments due to contractual restrictions or the lack of an established market. The estimated market values have not been updated since December 31, 2001; therefore, current estimates of fair value may differ significantly from the amounts presented.

Below is a summary of significant methodologies used in estimating fair values and a schedule of fair values at December 31, 2001.

Cash and cash equivalents
Includes cash and commercial paper with remaining maturities of less than 90 days, which are valued at the carrying value.

Mortgage notes payable
Mortgage notes payable consist of instruments in which certain of the Trust's real estate assets are used for collateral. The fair value of the mortgage notes payable is estimated based upon dealer quotes for instruments with similar terms and maturities.

Lines of credit payable
Lines of credit payable consist of bank facilities which the Trust uses for various purposes including working capital, acquisition funding or capital improvements. The lines of credit advances are priced at a specified rate plus a spread. The carrying value of the lines of credit payable is estimated to be market value since the interest rate adjusts with the market. There were no outstanding balances due on the lines of credit at December 31, 2001.

Notes payable
Notes payable consists of $50 million, 7.125 %, 7-year unsecured notes due

August 13, 2003, $50 million, 7.25%, 10-year unsecured notes due August 13, 2006, $50 million, 7.25%, 20-year unsecured notes due February 25, 2028, $60 million unsecured Mandatory Par Put Remarketed Securities with an effective yield of 6.74% through the remarketing date of February 2008 and $55 million, 7.78%, 4-year unsecured notes due November 15, 2004. The fair value of these securities is estimated based on dealer quotes for securities with similar terms and characteristics.

(In Thousands)	2001		2000		1999	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 26,441	$ 26,441	$ 6,426	$ 6,426	$ 4,716	$ 4,716
Mortgage notes payable	$ 94,726	$ 98,786	$ 86,260	$ 87,493	$ 87,037	$ 84,520
Lines of credit payable	-	-	-	-	$ 33,000	$ 33,000
Notes payable	$265,000	$272,689	$265,000	$258,513	$210,000	$192,420

11. Rentals Under Operating Leases:

Noncancellable commercial operating leases provide for minimum rental income before any reserve for uncollectible amounts during each of the next five years of approximately $94.2 million, $76.5 million, $59.6 million, $41.7 million, $28.8 million and $66.9 million thereafter. Apartment leases are not included as they are generally for one year. Most of these commercial leases increase in future years based on changes in the Consumer Price Index or agreed-upon percentages. Contingent rentals from the shopping centers, based on a percentage of tenants' gross sales, were $412,000, $217,000 and $425,000 in 2001, 2000 and 1999, respectively. Real estate tax, operating expense and common area maintenance reimbursement income was $8.4 million, $7.9 million and $6.4 million for the years ended December 31, 2001, 2000 and 1999, respectively.

12. Contingencies:

In the normal course of business, the Trust is involved in various other lawsuits and environmental matters arising in the normal course of business. Management believes that such matters will not have a material effect on the financial condition or results of operations of the Trust.

13. Segment Information:

WRIT has four reportable segments: Office Buildings, Industrial/flex Properties, Multifamily and Retail Centers. Office Buildings, including medical office buildings, represent 55 percent of 2001 real estate rental revenue and provide office space for various types of businesses. Industrial/flex Properties represents 14 percent of 2001 real estate rental revenue and are used for flex-office, warehousing and distribution type facilities. Multifamily properties represent 18 percent of 2001 real estate rental revenue. These properties provide housing for families throughout the Washington Metropolitan area. Retail Centers represent the remaining 13 percent of 2001 real estate rental revenue and are typically neighborhood grocery store or drug store anchored retail centers.

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

<TABLE>
<CAPTION>
2001

(in thousands)

	Office Buildings	Industrial/ Flex Properties	Multifamily	Retail Centers	Corporate and Other	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Real estate rental revenue	$81,023	$ 20,702	$27,455	$19,244	$ --	$148,424
Real estate expenses	23,851	4,546	9,754	3,996	--	42,147
Operating income	57,172	16,156	17,701	15,248	--	106,277
Depreciation and amortization	15,195	4,173	3,836	2,339	1,192	26,735
Income from real estate	41,977	11,983	13,865	12,909	(1,192)	79,542
Other income	499	6	22	10	1,149	1,686
Interest expense	(1,595)	(104)	(4,315)	(635)	(20,422)	(27,071)
General and administrative	--	--	--	--	(6,100)	(6,100)
Income before gain on sale of real estate	40,881	11,885	9,572	12,284	(26,565)	48,057
Gain on sale of real estate	4,296	-	-	-	-	4,296
Net income	$ 45,177	$ 11,885	$ 9,572	$12,284	$(26,565)	$ 52,353
Capital investments	$ 53,449	$ 14,941	$ 3,981	$ 895	$ 538	$ 73,803
Total assets	$380,990	$126,842	$80,033	$81,090	$ 38,980	$707,935

</TABLE>

<TABLE>
<CAPTION>

2000
(in thousands)

	Office Buildings	Industrial/ Flex Properties	Multifamily	Retail Centers	Corporate and Other	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Real estate rental revenue	$ 70,885	$ 19,249	$26,234	$18,364	$ --	$134,732
Real estate expenses	21,118	3,997	9,258	3,943	--	38,316
Operating income	49,767	15,252	16,976	14,421	--	96,416
Depreciation and amortization	13,050	3,765	3,486	2,422	--	22,723
Income from real estate	36,717	11,487	13,490	11,999	--	

	Office Buildings	Industrial/Flex Properties	Multifamily	Retail Centers	Corporate and Other	Consolidated
						73,693
Other income	--	--	--	--	943	943
Interest expense	(1,630)	--	(4,329)	(637)	(18,935)	(25,531)
General and administrative	--	--	--	--	(7,533)	(7,533)
Income before gain on sale of real estate	35,087	11,487	9,161	11,362	(25,525)	41,572
Gain on sale of real estate	-	-	-	3,567	-	3,567
Net income	$ 35,087	$ 11,487	$ 9,161	$14,929	$(25,525)	$ 45,139
Capital investments	$ 31,925	$ 4,525	$ 3,613	$ 2,787	$ 814	$ 43,664
Total assets	$342,745	$107,811	$79,622	$82,435	$ 19,434	$632,047

</TABLE>

<TABLE>
<CAPTION>

1999 (in thousands)

<S>	Office Buildings <C>	Industrial/ Flex Properties <C>	Multifamily <C>	Retail Centers <C>	Corporate and Other <C>	Consolidated <C>
Real estate rental revenue	$ 61,657	$ 16,196	$22,926	$18,196	$ --	$118,975
Real estate expenses	18,950	3,568	8,714	4,049	--	35,281
Operating income	42,707	12,628	14,212	14,147	--	83,694
Depreciation and amortization	10,979	3,301	2,915	2,395	--	19,590
Income from real estate	31,728	9,327	11,297	11,752	--	64,104
Other income	--	--	--	--	732	732
Interest expense	(1,731)	--	(1,145)	(653)	(18,742)	(22,271)
General and administrative	--	--	--	--	(6,173)	(6,173)
Income before gain on sale of real estate	29,997	9,327	10,152	11,099	(24,183)	36,392
Gain on sale of real estate	$ 2,044	5,865	--	--	--	7,909
Net income	$ 32,041	$ 15,192	$10,152	$11,099	$(24,183)	$ 44,301
Capital investments	$ 37,691	$ 19,591	$20,324	$ 2,049	$ 1,216	$ 80,871
Total assets	$321,741	$105,177	$79,548	$84,041	$ 17,973	$608,480

========
</TABLE>

14. Selected Quarterly Financial Data (in thousands, unaudited):

The following table summarizes financial data by quarter for WRIT for 2001, 2000 and 1999.

	Quarter			
	First	Second	Third	Fourth
2001:				
Real estate rental revenue	$35,324	$37,418	$37,873	$37,809
Net income	10,728	12,394	16,824	12,407
Net income per share*	$0.30	$0.33	$0.43	$0.32

2000:				
Real estate rental revenue	$31,935	$33,350	$34,230	$35,217
Net income	10,910	9,963	12,793	11,473
Net income per share*	$0.31	$0.28	$0.36	$0.32
1999:				
Real estate rental revenue	$27,654	$28,864	$29,566	$32,891
Net income	16,358	8,765	8,826	10,352
Net income per share*	$0.46	$0.25	$0.25	$0.29

* Includes gain on the sale of real estate of $0.11 per share in the third quarter of 2001, $0.04 and $0.06 per share in the first and third quarters of 2000 and $0.22 per share in the first quarter of 1999, respectively.

15. Subsequent Event (Unaudited):

Subsequent to December 31, 2001, WRIT closed on the sale of 1501 South Capitol Street. On February 28, 2002, WRIT sold this industrial property for $ 6.2 million, resulting in a gain of approximately $3.8 million.

SCHEDULE III

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

SUMMARY OF REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

		Initial Cost (b)		Net Improvements (Retirements) since Acquisition	Gross Amounts at which carried at December 31, 2001		
Properties	Location	Land	Building and Improvements		Land	Buildings and Improvements	Total (c)

Office Buildings

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1901 Pennsylvania Avenue	Washington, D.C	$ 892,000	$ 3,481,000	$ 7,852,000	$ 892,000	$ 11,333,000	$ 12,225,000
51 Monroe Street	Maryland	840,000	10,869,000	10,299,000	840,000	21,168,000	22,008,000
7700 Leesburg Pike	Virginia	3,670,000	4,000,000	6,723,000	3,670,000	10,723,000	14,393,000
515 King Street	Virginia	4,102,000	3,931,000	1,690,000	4,102,000	5,621,000	9,723,000
The Lexington Building	Maryland	1,180,000	1,263,000	971,000	1,180,000	2,234,000	3,414,000
The Saratoga Building	Maryland	1,464,000	1,554,000	1,368,000	1,464,000	2,922,000	4,386,000
Brandywine Center	Maryland	718,000	735,000	768,000	718,000	1,503,000	2,221,000
Tycon Plaza II	Virginia	3,262,000	7,243,000	2,487,000	3,262,000	9,730,000	12,992,000
Tycon Plaza III	Virginia	3,255,000	7,794,000	3,213,000	3,255,000	11,007,000	14,262,000
6110 Executivive Boulevard	Maryland	4,621,000	11,926,000	3,805,000	4,621,000	15,731,000	20,352,000
1220 19th Street	Washington, D.C.	7,803,000	11,366,000	893,000	7,803,000	12,259,000	20,062,000
Maryland Trade Center I	Maryland	3,330,000	12,747,000	3,141,000	3,330,000	15,888,000	19,218,000
Maryland Trade Center II	Maryland	2,826,000	9,486,000	1,262,000	2,826,000	10,748,000	13,574,000
1600 Wilson Boulevard	Virginia	6,661,000	16,765,000	1,548,000	6,661,000	18,313,000	24,974,000
7900 Westpark Drive	Virginia	12,049,000	71,825,000	3,151,000	12,049,000	74,976,000	87,025,000
8230 Boone Boulevard	Virginia	1,417,000	6,754,000	393,000	1,417,000	7,147,000	8,564,000
Woodburn Medical Park I (a)	Virginia	2,563,000	12,470,000	620,000	2,563,000	13,090,000	15,653,000
Woodburn Medical Park II (a)	Virginia	2,632,000	17,574,000	239,000	2,632,000	17,813,000	20,445,000
600 Jefferson Plaza	Maryland	2,296,000	12,188,000	896,000	2,296,000	13,084,000	15,380,000
1700 Research Blvd.	Maryland	1,847,000	11,106,000	237,000	1,847,000	11,343,000	13,190,000
Parklawn Plaza	Maryland	714,000	4,053,000	355,000	714,000	4,408,000	5,122,000
Wayne Plaza	Maryland	1,564,000	6,283,000	1,220,000	1,564,000	7,503,000	9,067,000
Courthouse Square	Virginia	--	17,096,000	435,000	--	17,531,000	17,531,000
One Central Plaza	Maryland	5,480,000	39,069,000	904,000	5,480,000	39,973,000	45,453,000
		----------	-----------	----------	----------	-----------	-----------
		75,186,000	301,578,000	54,470,000	75,186,000	356,048,000	431,234,000
		----------	-----------	----------	----------	-----------	-----------

Retail Centers

Concord Centre	Virginia	413,000	850,000	3,049,000	413,000	3,899,000	4,312,000
Bradlee	Virginia	4,152,000	5,383,000	6,895,000	4,152,000	12,278,000	16,430,000
Chevy Chase Metro Plaza	Washington, D.C	1,549,000	4,304,000	3,213,000	1,549,000	7,517,000	9,066,000
Takoma Park	Maryland	415,000	1,085,000	5,000	415,000	1,090,000	1,505,000
Westminster	Maryland	519,000	1,775,000	1,922,000	519,000	3,697,000	4,216,000
Wheaton Park	Maryland	796,000	857,000	3,525,000	796,000	4,382,000	5,178,000
Montgomery Village Center	Maryland	11,625,000	9,105,000	1,147,000	11,625,000	10,252,000	21,877,000
Shoppes of Foxchase	Virginia	5,838,000	2,980,000	1,425,000	5,838,000	4,405,000	10,243,000
Frederick County Square (a)	Maryland	6,561,000	6,830,000	1,344,000	6,561,000	8,174,000	14,735,000
South Washington St.	Virginia	2,904,000	4,626,000	719,000	2,904,000	5,345,000	8,249,000
		----------	----------	----------	----------	-----------	-----------
		34,772,000	37,795,000	23,244,000	34,772,000		

61,039,000   95,811,000

<CAPTION>

Properties	Location	Accumulated Depreciation at December 31, 2000	Year of Construction	Date of Acquisition	Net Rentable Square Feet (e)	Units	Depreciation Life (d)
Office Buildings							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1901 Pennsylvania Avenue	Washington, D.C	$5,714,000	1960	May 1977	97,000		28 Years
51 Monroe Street	Maryland	9,648,000	1975	August 1979	210,000		41 Years
7700 Leesburg Pike	Virginia	2,803,000	1976	October 1990	145,000		50 Years
515 King Street	Virginia	1,222,000	1966	July 1992	78,000		50 Years
The Lexington Building	Maryland	562,000	1970	November 1993	47,000		50 Years
The Saratoga Building	Maryland	817,000	1977	November 1993	59,000		50 Years
Brandywine Center	Maryland	426,000	1969	November 1993	35,000		50 Years
Tycon Plaza II	Virginia	2,039,000	1981	June 1994	131,000		50 Years
Tycon Plaza III	Virginia	2,265,000	1978	June 1994	152,000		50 Years
6110 Executivive Boulevard	Maryland	4,280,000	1971	January 1995	199,000		30 Years
1220 19th Street	Washington, D.C.	2,665,000	1976	November 1995	104,000		30 Years
Maryland Trade Center I	Maryland	3,378,000	1981	May 1996	191,000		30 Years
Maryland Trade Center II	Maryland	2,226,000	1984	May 1996	159,000		30 Years
1600 Wilson Boulevard	Virginia	2,756,000	1973	October 1997	167,000		30 Years
7900 Westpark Drive	Virginia	9,986,000	1972/1986/ 1999	November 1997	527,000		30 Years
8230 Boone Boulevard	Virginia	915,000	1981	September 1998	58,000		30 Years
Woodburn Medical Park I (a)	Virginia	1,394,000	1984	November 1998	71,000		30 Years
Woodburn Medical Park II (a)	Virginia	1,950,000	1988	November 1998	96,000		30 Years
600 Jefferson Plaza	Maryland	1,222,000	1985	May 1999	115,000		30 Years
1700 Research Blvd.	Maryland	1,014,000	1982	May 1999	103,000		30 Years
Parklawn Plaza	Maryland	329,000	1986	November 1999	40,000		30 Years
Wayne Plaza	Maryland	401,000	1970	May 2000	91,000		30 Years
Courthouse Square	Virginia	708,000	1979	October 2000	113,000		30 Years
One Central Plaza	Maryland	928,000	1974	April 2001	274,000		30 Years
		59,648,000			3,262,000		
Retail Centers							
Concord Centre	Virginia	1,699,000	1960	December 1973	76,000		33 Years
Bradlee	Virginia	4,255,000	1955	December 1984	168,000		40 Years
Chevy Chase Metro Plaza	Washington, D.C	2,449,000	1975	September 1985	51,000		50 Years
Takoma Park	Maryland	852,000	1962	July 1963	59,000		50 Years
Westminster	Maryland	2,250,000	1969	September 1972	165,000		

						37 Years
Wheaton Park	Maryland	1,294,000	1967	September 1977	71,000	49 Years
Montgomery Village Center	Maryland	1,953,000	1969	December 1992	196,000	50 Years
Shoppes of Foxchase	Virginia	884,000	1960	June 1994	128,000	50 Years
Frederick County Square (a)	Maryland	1,942,000	1973	August 1995	233,000	30 Years
South Washington St.	Virginia	547,000	1959	June 1998	51,000	30 Years
		18,125,000			1,198,000	

</TABLE>

SCHEDULE III
(Continued)

WASHIINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

SUMMARY OF REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

<TABLE>
<CAPTION>

		Initial Cost (b)		Net Improvements	Gross Amounts at which carried at December 31, 2001		
Properties	Location	Land	Building and Improvements	(Retirements) since Acquisition	Land	Buildings and Improvements	Total (c)
Apartment Buildings							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Country Club Towers (a)	Virginia	$ 299,000	$2,562,000	$2,873,000	$ 299,000	$ 5,435,000	$ 5,734,000
Munson Hill Towers (a)	Virginia	322,000	3,337,000	5,822,000	322,000	9,159,000	9,481,000
Park Adams (a)	Virginia	287,000	1,654,000	3,838,000	287,000	5,492,000	5,779,000
Roosevelt Towers (a)	Virginia	336,000	1,996,000	2,292,000	336,000	4,288,000	4,624,000
3801 Connecticut Avenue	Washington, D.C.	420,000	2,678,000	4,668,000	420,000	7,346,000	7,766,000
The Ashby at McLean (a)	Virginia	4,356,000	17,102,000	2,982,000	4,356,000	20,084,000	24,440,000
Walker House Apartments	Virginia	2,851,000	7,946,000	1,548,000	2,851,000	9,494,000	12,345,000
Bethesda Hill	Maryland	3,900,000	13,412,000	2,847,000	3,900,000	16,259,000	20,159,000
Avondale (a)	Maryland	3,460,000	9,244,000	1,316,000	3,460,000	10,560,000	14,020,000
1611 North Clarendon Blvd	Virginia	910,000	596,000	317,000	910,000	913,000	1,823,000
		17,141,000	60,527,000	28,503,000	17,141,000	89,030,000	106,171,000
Industrial Properties							
Pepsi-Cola	Maryland	760,000	1,792,000	1,659,000	760,000	3,451,000	4,211,000
Capitol Freeway Center	Washington, D.C.	300,000	1,205,000	2,543,000	300,000	3,748,000	4,048,000
Fullerton	Virginia	950,000	3,317,000	805,000	950,000	4,122,000	5,072,000
Charleston Business Center	Maryland	2,045,000	2,091,000	293,000	2,045,000	2,384,000	

							4,429,000
Tech 100 Industrial Park	Maryland	2,086,000	4,744,000	543,000	2,086,000	5,287,000	7,373,000
Crossroads Distribution Center	Marylandter	894,000	1,946,000	140,000	894,000	2,086,000	2,980,000
The Alban Business Center	Virginia	878,000	3,298,000	377,000	878,000	3,675,000	4,553,000
The Earhart Building	Virginia	916,000	4,129,000	814,000	916,000	4,943,000	5,859,000
Ammendale Technology Park I	Maryland	1,335,000	6,492,000	908,000	1,335,000	7,400,000	8,735,000
Ammendale Technology Park II	MarylandI	862,000	5,025,000	393,000	862,000	5,418,000	6,280,000
Pickett Industrial Park	Virginia	3,300,000	4,920,000	669,000	3,300,000	5,589,000	8,889,000
Northern VA Industrial Park	Virginia	4,971,000	25,670,000	6,792,000	4,971,000	32,462,000	37,433,000
8900 Telegraph Road	Virginia	372,000	1,489,000	119,000	372,000	1,608,000	1,980,000
Dulles South IV	Virginia	913,000	5,997,000	150,000	913,000	6,147,000	7,060,000
Sully Square	Virginia	1,052,000	6,506,000	168,000	1,052,000	6,674,000	7,726,000
Amvax	Virginia	246,000	1,974,000	--	246,000	1,974,000	2,220,000
Sullyfield Center (a)	Virginia	2,803,000	19,710,000	9,000	2,803,000	19,719,000	22,522,000
		24,683,000	100,305,000	16,382,000	24,683,000	116,687,000	141,370,000
Total		$151,782,000	$500,205,000	$122,599,000	$151,782,000	$622,804,000	$774,586,000

<CAPTION>

Properties	Location	Accumulated Depreciation at December 31, 2000	Year of Construction	Date of Acquisition	Net Rentable Square Feet (e)	Units	Depreciation Life (d)
Apartment Buildings							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Country Club Towers (a)	Virginia	$ 3,562,000	1965	July 1969	276,000	227	35 Years
Munson Hill Towers (a)	Virginia	5,218,000	1963	January 1970	340,000	279	33 Years
Park Adams (a)	Virginia	2,977,000	1959	January 1969	210,000	200	35 Years
Roosevelt Towers (a)	Virginia	2,716,000	1964	May 1965	229,000	191	40 Years
3801 Connecticut Avenue	Washington, D.C.	4,525,000	1951	January 1963	242,000	307	30 Years
The Ashby at McLean (a)	Virginia	3,690,000	1982	August 1996	349,000	250	30 Years
Walker House Apartments	Virginia	1,757,000	1971	March 1996	148,000	196	30 Years
Bethesda Hill	Maryland	2,268,000	1986	November 1997	226,000	195	30 Years
Avondale (a)	Maryland	935,000	1987	September 1999	162,000	237	40 Years
1611 North Clarendon Blvd	Virginia	6,000	1957	February 2001	11,000	14	30 Years
		27,654,000			2,193,000	2,096	
Industrial Properties							
Pepsi-Cola	Maryland	1,024,000	1971	October 1987	69,000		40 Years
Capitol Freeway Center	Washington, D.C.	2,056,000	1940	July 1974	145,000		25 Years

Fullerton	Virginia	1,523,000	1980	September	1985	103,000		50 Years
Charleston Business Center	Maryland	475,000	1973	November	1993	85,000		50 Years
Tech 100 Industrial Park	Maryland	1,364,000	1990	May	1995	167,000		30 Years
Crossroads Distribution Center	Marylandter	477,000	1987	December	1995	85,000		30 Years
The Alban Business Center	Virginia	760,000	1981	October	1996	87,000		30 Years
The Earhart Building	Virginia	887,000	1987	December	1996	92,000		30 Years
Ammendale Technology Park I	Maryland	1,413,000	1985	February	1997	167,000		30 Years
Ammendale Technology Park II	MarylandI	949,000	1986	February	1997	108,000		30 Years
Pickett Industrial Park	Virginia	773,000	1973	October	1997	246,000		30 Years
Northern VA Industrial Park	Virginia	3,838,000	1968/1991	May	1998	790,000		30 Years
8900 Telegraph Road	Virginia	225,000	1985	September	1998	32,000		30 Years
Dulles South IV	Virginia	598,000	1988	January	1988	83,000		30 Years
Sully Square	Virginia	603,000	1966	April	1999	95,000		30 Years
	Virginia	151,000	1966	September	1999	31,000		30 Years
Amvax	Virginia	82,000	1985	November	2001	248,000		30 Years
Sullyfield Center (a)		17,198,000				2,633,000	--	
Total		$122,625,000				9,351,000	2,096	

</TABLE>

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Notes:

(a) At December 31, 2001, WRIT was obligated under the following mortgage encumbrances: $9,625,000 on Park Adams, $8,360,000 on Roosevelt Towers, $8,671,000 on Woodburn Medical Park I, $11,622,000 on Woodburn Medical Park II and $9,299,000 on Sullyfield Center.

(b) The purchase cost of real estate investments has been divided between land and buildings and improvements on the basis of management's determination of the relative values.

(c) At December 31, 2001, total land, buildings and improvements are carried at $600,572,000 for federal income tax purposes.

(d) The useful life shown is for the main structure. Buildings and improvements are depreciated over various useful lives ranging from 3 to 50 years.

(e) Residential properties are presented in gross square feet.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

Summary of Real Estate Investments and Accumulated Depreciation
(In thousands)

The following is a reconciliation of real estate assets and accumulated depreciation for the years ended December 31, 2001, 2000 and 1999:

<TABLE>
<CAPTION>

	Years Ended December 31		
	2001	2000	1999
<S>	<C>	<C>	<C>
Real Estate Assets			
Balance, beginning of period	$698,513	$661,870	$ 598,874
Additions - property acquisitions	68,584	26,581	56,837
- improvements	14,015	16,268	23,491
Deductions - write-off of fully depreciated assets	(332)	(1,765)	--
Deductions - property sales	(6,194)	(4,441)	(17,332)

Balance, end of period	$774,586	$698,513	$ 661,870
	========	========	=========
Accumulated Depreciation			
Balance, beginning of period	$100,906	$ 83,574	$ 68,301
Additions - depreciation	24,492	21,375	18,654
Deductions - write-off of fully depreciated assets	(332)	(1,765)	--
Deductions - property sales	(2,441)	(2,278)	(3,381)
	--------	--------	---------
Balance, end of period	$122,625	$100,906	$ 83,574
	========	========	=========

</TABLE>

Exhibit 3(e)

AMENDED AND RESTATED BY-LAWS

I. Resolved that, in accordance with the recommendation of the Nominating Committee of the Board of Trustees, By-Law V of the Trust's By-Laws is hereby amended to delete the words "or elected," such that such By-Law shall read that "No person shall be nominated as a trustee after such person's 72nd birthday."

II. Resolved, further, that, in accordance with the recommendation of the Nominating Committee of the Board of Trustees, By-Law VI of the Trust's By-Laws is hereby repealed effective immediately.

Exhibit 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report dated February 20, 2002 included in this Form 10-K, into previously filed Registration Statement on Form S-8, File No. 33-63671, Form S-8, File No. 333-48081, Form S-8, File No. 333-48882, Form S-3, File No. 333-23157, Form S-3, File No. 333-81913, Form S-3, File No. 333-54704, Form S-4, File No. 333-48293, and Form S-8, File No. 333-68016.

/s/ Arthur Andersen, LLP

Vienna, Virginia
April 1, 2002

Exhibit 99

April 1, 2002

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Reference: Annual Report on Form 10-K for the year ended December 31, 2001 for Federal Realty Investment Trust

Commission File No. 52-0782497

Consistent with the Commission's release of March 18, 2002, please be advised that the Trust has obtained a letter from Arthur Andersen LLP, the Company's independent public accountants, dated March 29, 2002, containing the following representations regarding the audits performed on the Trust's consolidated balance sheets as of December 31, 2001 and 2000 and the related consolidated statements of operations, common shareholder's equity and cash flows for each of the years in the three year period ended December 31, 2001:

- o the audits were subject to Arthur Andersen's quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards;

- o there was appropriate continuity of Arthur Andersen personnel working on the audits; and

- o there was appropriate availability of national office consultation.

Representation relating to the availability of personnel at foreign affiliates of Arthur Andersen was not relevant to these audits.

Sincerely,

/s/ Edmund B. Cronin, Jr.
- -----------------------------
Edmund B. Cronin, Jr.
President and Chief Executive Officer