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, 1996 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)

10400 CONNECTICUT AVENUE, KENSINGTON, MARYLAND 20895

(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code (301) 929-5900

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

Title of Each Class	Name of exchange on which registered
Shares of Beneficial Interest	American 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 February 27, 1997, 31,827,844 Shares of Beneficial Interest were outstanding and the aggregate market value of such shares held by non-affiliates of the registrant was approximately $559,296,000 (based on the closing price of the stock on February 27, 1997).

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Form 10-K is incorporated by reference from the Trust's 1997 Notice of Annual Meeting and Proxy Statement.

WASHINGTON REAL ESTATE INVESTMENT TRUST

1996 FORM 10-K ANNUAL REPORT

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PART I

ITEM 1. BUSINESS

Washington Real Estate Investment Trust ("WRIT" or the "Trust") is a self-administered qualified equity real estate investment trust ("REIT"). The Trust's business consists of the ownership of income-producing real estate properties in the Mid-Atlantic Region. The Trust has a fundamental strategy of regional focus, diversified property type ownership and conservative financial management.

WRIT has elected to qualify as a REIT under the Internal Revenue Code ("the Code"). Accordingly, WRIT is relieved of federal income taxes provided that capital gains and at least 95% of its ordinary income are distributed to shareholders in the form of dividends and that it complies with all REIT related aspects of the Code. Over the last five years dividends paid per share have been $1.03 for 1996, $.99 for 1995, $.92 for 1994, $.89 for 1993 and $.84 for 1992. The indicated annualized dividend rate for 1997, based upon the March 31, 1997 dividend, is $1.04.

WRIT's geographic focus is based on two basic 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 amongst the nation's best markets with a strong primary industry foundation, but be diversified enough to withstand downturns in its primary industry.

WRIT considers markets to be local if they can be reached from Washington, D.C. within two hours by car and have the demographics of a megalopolis. WRIT's ideal geographic market reaches from Philadelphia, Pennsylvania on the north to Richmond, Virginia on the south. 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.

All of WRIT's Trustees, Officers and employees live and work in the Greater Washington-Baltimore region and WRIT's Officers average over 16 years of experience in this region.

The Greater Washington-Baltimore region is the nation's fourth largest with a population exceeding 6.9 million. Combining the Richmond to Philadelphia areas with the Washington-Baltimore area, the total population is approximately 13.1 million people. The Washington-Baltimore region is ranked first in the U.S. in median household income and percentage of population with education at the undergraduate and postgraduate level.

While the Federal Government is the foundation of the region's economy, private sector job growth has resulted in total non-farm employment in the Washington area growing 53% from 1.6 million jobs in 1970, to 2.5 million jobs in 1996, while the percentage of Federal Government employment in the region decreased from 28.4% to 15.6%. Since January 1980, seasonally-adjusted unemployment in the Washington area has averaged 4.1%, with December 1996 unemployment standing at 3.4%.

The Greater Washington-Baltimore region is a leader in the rapidly growing technology/infocom and biotech/health care industries. It is the center of the U.S. Space Commerce/Satellite Industry with Comsat, GTE Spacenet, Intelsat, Lockheed-Martin and NASA all headquartered here in the region. The region has the nation's second highest concentration of technology companies and the third highest concentration of biotech companies.

This region is also the headquarters for several of the largest U.S. and international financial institutions including the World Bank, International Monetary Fund, Inter-American Development Bank, Export-Import Bank, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corp. (Freddie Mac) and the Student Loan Marketing Association (Sallie Mae).

Other major public companies headquartered in the region to name a few, include Mobil Oil, MCI, USAir Group, Marriott International, McCormick Spice Co. and Gannett Co. The region is also the second most popular tourist destination in the world. Most importantly, this Mid-Atlantic region is known as a job center, with solid educational opportunities, and easy access to leisure time activities.

While this region has clearly diversified beyond the Federal Government town of the past, the Federal Government is still the foundation of the region's economy. Therefore, it is important to understand how Federal Government "cutbacks" have impacted this region.

First, despite a 19% decrease in direct Federal employment from 1994 through 1996, the region's unemployment rate never rose above a seasonally adjusted 4.4% and was at 3.4% in December 1996. This is partially due to the strength and diversity of this local economy, and partially due to the fact that accompanying these direct employment decreases were substantial local increases in Federal procurement (purchases of goods and services).

While Federal procurement spending decreases nationally, it becomes more concentrated and increases in the Greater Washington-Baltimore area because Federal contractors move closer to their Federal clients in order to better compete for this business. Federal procurement decreased by 5.4% nationally from 1991 to 1995, but increased in the Washington area by over 34%.

The Trust currently owns a diversified portfolio consisting of twelve shopping centers, sixteen office buildings, seven high-rise apartment buildings and fourteen industrial distribution centers, including Ammendale Technology Park I and II acquired February 28, 1997. WRIT's principal objective is to invest in high quality real estate in prime locations and to monitor closely the management of these properties, including active leasing and ongoing capital improvement programs. The percentage of total real estate rental revenue by property group for 1996, 1995 and 1994 and the percent leased as of December 31, 1996 were as follows:

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Percent Leased December 31, 1996		Real Estate Rental Revenue 1996	1995	1994
<C>	<S>	<C>	<C>	<C>
93%	Office buildings	44%	41%	39%
94%	Shopping centers	23%	26%	26%
97%	Apartment buildings	22%	22%	25%
98%	Industrial distribution	11%	11%	10%
		100%	100%	100%

</TABLE>

On a combined basis, WRIT's portfolio was 93% occupied in 1996 and 1995 and 95% in 1994.

Total revenue was $65.5 million for 1996, $52.6 million for 1995, and $45.5 million for 1994. In 1994 through 1996, WRIT acquired six office buildings, two shopping centers, two apartment buildings and four industrial distribution centers. These acquisitions were the primary reason for the shifting of each group's percentage of total revenue. No single tenant accounted for more than 2.39% of 1996 revenue, 2.05% of 1995 or 2.25% of 1994. 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. All federal government tenants in the aggregate accounted for less than 3.50% of WRIT's 1996 total revenue. The larger non-federal government tenants include T.J. Maxx, District of Columbia Metropolitan Police Department, Pepsi Cola, Giant Food, Crestar Bank, CVS, George Washington University, Lockheed-Martin, NationsBank, OAO, Montgomery County and Prince George's County, Maryland and also the State of Maryland.

As of December 31, 1996, no single property accounted for more than 10% of total assets or more than 10% of total revenues.

The actual day-to-day property management functions at the properties owned by the Trust are carried out by an independent management company. WRIT closely monitors the activities of this company to assure the highest quality of service and cost effectiveness. No WRIT Trustee or officer is a director or officer of, or owns any interest in the management company.

The Trust expects to continue investing in additional income producing property. WRIT management invests only in properties which it believes will continue to increase in income and value. WRIT's properties compete for tenants with other properties throughout the respective areas in which they are located. All properties compete for tenants on the basis of location, quality and rent charged.

Historically WRIT has acquired 100% ownership in property. However, in 1995 WRIT formed a subsidiary partnership in which WRIT currently owns substantially all of the partnership interests. As of December 31, 1996, the WRIT partnership has acquired eight properties for cash contributed or loaned by WRIT.

WRIT intends to use the WRIT partnership to offer property owners an opportunity to contribute properties in exchange for WRIT limited partnership units. Such a transaction will enable property owners to diversify their holdings and to obtain a tax deferred contribution for WRIT limited partnership units rather than make a taxable cash sale. To date, no such exchange transactions have occurred. The terms of the partnership agreement provide that the partnership's limited partnership units are entitled to distributions substantially equivalent to the distributions on WRIT shares. A holder of limited partnership units in the WRIT partnership will be entitled to demand that the partnership redeem the holder's units upon 10 business days notice. Upon such demand, WRIT, at its option, may redeem such units for cash or WRIT shares.

WRIT believes that the WRIT partnership will provide WRIT an opportunity to acquire real estate assets which might not otherwise have been offered to it.

WRIT makes capital improvements on an ongoing basis to its properties for the purpose of maintaining and increasing their value. Major improvements and/or renovations to the properties in 1996 are discussed on page 8.

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 32 as of March 5, 1997.

ITEM 2. PROPERTIES

The schedule on the following page lists the Trust's real estate investment portfolio as of December 31, 1996. The total number of properties was forty-seven (47) at that date.

As of December 31, 1996 the percent leased is the percentage of net rentable space 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 of this Form 10-K Annual Report.

SCHEDULE OF PROPERTIES

<TABLE>
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Properties	Location	Year Acquired	Year Constructed	Net Rentable * Square Feet	Percent Leased 12/31/96
<S>	<C>	<C>	<C>	<C>	<C>
Office Buildings					
The WRIT Building	Kensington, MD	1979	1965	65,000	93%
1901 Pennsylvania Avenue	Washington, D.C.	1977	1960	97,000	86%
51 Monroe Street	Rockville, MD	1979	1975	210,000	86%
444 N. Frederick Avenue	Gaithersburg, MD	1989	1981	66,000	95%
7700 Leesburg Pike	Falls Church, VA	1990	1976	145,000	83%
Arlington Financial Center	Arlington, VA	1992	1963	51,000	100%
515 King Street	Alexandria, VA	1992	1966	78,000	94%
The Lexington Building	Rockville, MD	1993	1970	47,000	90%
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	97%
Tycon Plaza III	Vienna, VA	1994	1978	152,000	92%
6110 Executive Boulevard	Rockville, MD	1995	1971	199,000	95%
1220 19th Street	Washington, D.C.	1995	1976	104,000	95%
Maryland Trade Center I	Greenbelt, MD	1996	1981	191,000	99%
Maryland Trade Center II	Greenbelt, MD	1996	1984	159,000	99%
Subtotal				1,789,000	93%
Shopping Centers					
Concord Centre	Springfield, VA	1973	1960	76,000	84%
Bradlee	Alexandria, VA	1984	1955	168,000	97%
Clairmont	Salisbury, MD	1976	1965	40,000	68%
Dover Mart	Dover, DE	1973	1960	44,000	68%
Chevy Chase Metro Plaza	Washington, D.C.	1985	1975	51,000	98%
Prince William Plaza	Woodbridge, VA	1968	1967	55,000	98%

Takoma Park	Takoma Park, MD	1963	1962	59,000	100%
Westminster	Westminster, MD	1972	1969	165,000	92%
Wheaton Park	Wheaton, MD	1977	1967	47,000	100%
Montgomery Village Center	Gaithersburg, MD	1992	1969	196,000	92%
Shoppes of Foxchase	Alexandria, VA	1994	1960	128,000	99%
Frederick County Square	Frederick, MD	1995	1973	233,000	100%
Subtotal				1,262,000	94%
Apartment Buildings/# units					
Country Club Towers/227	Arlington, VA	1969	1965	276,000	95%
Munson Hill Towers/279	Falls Church, VA	1970	1963	340,000	95%
Park Adams/200	Arlington, VA	1969	1959	210,000	97%
Roosevelt Towers/191	Falls Church, VA	1965	1964	229,000	98%
3801 Connecticut Avenue/307	Washington, D.C.	1963	1951	242,000	100%
The Ashby at McLean/250	McLean, VA	1996	1982	349,000	99%
Walker House Apartments/196	Gaithersburg, VA	1996	1971	148,000	99%
Subtotal	(1,650 units)			1,794,000	97%
Industrial Distribution Centers					
Pepsi-Cola Distribution Center	Forestville, MD	1987	1971	69,000	100%
Capitol Freeway Center	Washington, D.C.	1974	1940	145,000	100%
Department of Commerce	Springfield, VA	1971	1964	105,000	100%
Fullerton Business Center	Springfield, VA	1985	1980	103,000	100%
Ravensworth Center	Springfield, VA	1986	1965	29,000	62%
Shirley I-395 Business Center	Arlington, VA	1961/1986	1960	113,000	100%
V Street Distribution Center	Washington, D.C.	1973	1960	31,000	100%
Charleston Business Center	Rockville, MD	1993	1973	85,000	95%
Tech 100 Industrial Park	Elk Ridge, MD	1995	1990	167,000	98%
Crossroads Distribution Center	Elk Ridge, 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%
Subtotal				1,111,000	98%
TOTAL				5,956,000	

</TABLE>

* Apartment buildings are presented in gross square feet

PROPERTY EXPANSIONS AND MAJOR RENOVATIONS

7700 Leesburg Pike

In December of 1996, WRIT completed the 20,000 square foot addition at 7700 Leesburg Pike. This addition was 100% preleased and fully occupied.

1901 Pennsylvania Avenue

This property underwent a major renovation beginning in 1995 and completed in 1996, with lease up steadily improving since the 3rd quarter of 1995. Renovations to the main lobby, elevator cabs, hallways and restrooms were complimented by modernizations of the elevator equipment and mechanical systems, and the installation of a new roof and energy management system. As of March 5, 1997, the property is over 90% leased as compared to average occupancies of 75% in 1996 and 57% in 1995.

51 Monroe Street

At 51 Monroe Street, formerly known as One Metro Square, WRIT replaced the elevator controls and HVAC equipment during 1995 and installed an energy management system in 1996. As a result of these improvements, the comfort of the building's tenants is substantially improved while WRIT's operating costs have been significantly reduced. To compliment these improvements, in 1996, WRIT commenced renovations to the main lobby and common hallways which will be completed in 1997. Occupancy levels in this property averaged 83% in 1996. Leasing substantially escalated in the 4th quarter of 1996, and as of March 4, 1997, this property is 92% leased.

Wheaton Park Shopping Center

WRIT commenced construction of a 25,000 square foot addition to the Wheaton Park Shopping Center in the 4th quarter of 1996. Currently this addition is 55% preleased and projected to be completed in the 2nd quarter of 1997.

Bradlee Shopping Center

Bradlee Shopping Center has been one of WRIT's best earning properties for many years and now needs updating to assure its continued performance. Accordingly, during 1996, management commenced planning for the renovations of the facade. This renovation coincides with the expiration of the lease term on a 26,000 square foot store currently occupied by G.C. Murphy. WRIT estimates Murphy's rent to be at least 75% below market. WRIT anticipates seeking a new tenant for this space. In addition to paying higher rents, a major new tenant to the G. C. Murphy's space will attract additional tenants and shoppers to the Center thereby enhancing overall sales from the center. Additionally, the new owners of the existing Roy Rogers restaurant parcel are converting it to a McDonald's which is also expected to contribute added value to the center.

PROPERTY GROUP PERFORMANCE

Office Buildings

On May 17, 1996, WRIT acquired Maryland Trade Center I and II, containing a combined area of 350,000 net rentable square feet for an acquisition cost of approximately $28.4 million.

Occupancy rates for the Office Building Group overall averaged 93% in 1994, and 89% in 1995 and 1996. The primary reason for the decreased Office Building Group occupancy level from 1994 to 1995 and 1996 was the vacancy at 1901 Pennsylvania Avenue caused by the major renovations during 1995 and 1996. Average occupancy of 1901 Pennsylvania Avenue was 57% in 1995 and 75% in 1996.
However, as of March 5, 1997, this property is over 90% leased.

This substantial increase in occupancy at 1901 Pennsylvania Avenue was offset in 1996 by a decrease in occupancy at 51 Monroe Street (formerly known as One Metro Square), as well as some smaller occupancy decreases throughout the group. 51 Monroe Street, which is undergoing a significant renovation commenced in 1995, averaged 90% occupancy in 1995 and 83% occupancy in 1996. As of March 5, 1997, 51 Monroe Street is over 92% leased.

Rental rate increases of 1.3% for the group were the result of increases at nearly all of the properties. WRIT's office building markets have improved to the point where market rates exceed existing lease rates for nearly all of its office building tenants.

Office building leases generally have a three to five year term. Most leases have automatic annual increases based on changes in the Consumer Price Index or agreed-upon percentages and additional pass through reimbursements for increases in real estate taxes and operating expenses.

Shopping Centers

Occupancy rates for the Shopping Center Group averaged 97% in 1994, 94% in 1995 and 91% in 1996. The primary reasons for the decreased Shopping Center Group occupancy level in 1995 and 1996 were vacancy increases at the Concord, Clairmont and Montgomery Village Shopping Centers and the 1995 property repositionings at Prince William Plaza and Chevy Chase Metro Plaza. Concord Shopping Centre averaged 85% occupancy during 1996 vs. 92% in 1995 and 100% in 1994 due to lease expirations. Montgomery Village Center averaged 92% in 1996 vs. 93% in 1995 and 97% in 1994, primarily due to the bankruptcies of So Fro Fabrics and Evans Jewelers & Distributors, which space remains unleased as of March 5, 1997. Prince William Plaza and Chevy Chase Metro Plaza underwent significant capital improvements and releasing during 1995 and are now each 98% leased as of December 31,1996.

Most shopping center leases have automatic annual increases based on changes in the Consumer Price Index or agreed-upon percentages. In addition, these leases generally contain clauses for reimbursement for real estate taxes and common area maintenance costs, and some leases provide for contingent rents based on a percentage of the tenant's gross sales.

Apartments

WRIT acquired Walker House Apartments, consisting of 196 units, on March 13, 1996, for an acquisition price of approximately $10.8 million. On August 26, 1996, The Ashby at McLean, with 250 units and 27,000 square feet of commercial space, was acquired for approximately $21.5 million.

WRIT's seven high-rise apartment buildings are well located and have a combined total of 1,650 units consisting of efficiency and one, two or three bedroom apartments. Apartment leases are generally for periods of one year or less. There is a continuous emphasis on the upgrading of the units, quality of management and services to residents with the goal to increase resident retention and to enhance market place acceptance.

Five of the apartment buildings are in northern Virginia with convenient transportation routes to downtown Washington. 3801 Connecticut Avenue is in Washington, D.C. and is subject to the rent control laws of the District of Columbia. The laws provide landlords with annual rent increases tied to the rate of inflation subject to an annual maximum of 10% and also afford landlords the opportunity for additional rent increases as units are re-rented to new tenants or when major repairs and replacements have been made.

Occupancy rates for the core group of apartments (excluding Walker House Apartments and The Ashby at McLean acquired in 1996), averaged 96% in 1996 and 1995 and 97% in 1994. Rental rate increases of 2.3% were the result of increases throughout the group. As of December 31, 1996, Walker House Apartments and The Ashby at McLean were both 99% leased.

Industrial Distribution Centers

On October 31, 1996, WRIT acquired The Alban Business Center with net rentable square feet of 87,000 for an acquisition price of approximately $4.2 million. The Earhart building was acquired on December 19, 1996 for an acquisition price of approximately $5.0 million with net rentable square feet of 92,000.

Occupancy rates for the Industrial Distribution Center group overall averaged 94% in 1994, 97% in 1995 and 98% in 1996.

Rental rate increases of 1.3% in 1996 for the group were the result of increases throughout the group.

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 1996.

PART II

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

The Trust's shares have been traded on the American Stock Exchange since 1971 and there are approximately 37,000 shareholders. 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 1996 and 1995, by quarter, and the amount of dividends paid by the Trust are as follows:
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Quarter		Dividends Per Share	Quarterly Share Price Range High	Quarterly Share Price Range Low
<S>	<C>	<C>	<C>	<C>
1996				
	4	$.26	$17 1/2	$15 1/2
	3	.26	16 3/4	15 1/4
	2	.26	16 3/4	15 1/4
	1	.25	17	15 1/4
1995				
	4	$.25	$16 1/8	$14 1/2
	3	.25	15 3/4	13 7/8
	2	.25	16 1/4	14 1/4
	1	.24	16 5/8	15

</TABLE>

The Trust has historically paid dividends on a quarterly basis. Dividends are normally paid based on the Trust's cash flow from operating activities. The 1997 indicated annual dividend rate is $1.04 based on an annualization of the March 31, 1997 dividend.

Item 6. Selected Financial Data (In thousands, except per share data)

<TABLE>
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	1996	1995	1994	1993	1992
Real estate revenue	$65,541	$52,597	$45,511	$39,375	$34,132
Income before gain on sale of real estate	$27,964	$26,103	$23,122	$22,506	$20,429
Gain on sale of real estate	-	-	-	$741	-
Net income	$27,964	$26,103	$23,122	$23,247	$20,429
Income before gain on sale of real estate per share	$0.88	$0.88	$0.82	$0.80	$0.76
Net income per share	$0.88	$0.88	$0.82	$0.82	$0.76
Total assets	$318,488	$241,784	$178,806	$162,011	$185,673
Lines of credit payable/Short-term bank loan	$5,000	$28,000	$18,000	-	$21,000
Mortgage payable	$7,590	$7,706	-	-	$1,115
Senior notes payable	$100,000	-	-	-	-
Shareholders' equity	$195,623	$199,735	$154,659	$157,348	$159,027
Cash dividends paid	$32,718	$29,712	$25,981	$24,380	$22,513
Distribution of gain on sale of real estate	-	-	-	$741	-
Cash dividends paid per share	$1.03	$0.99	$0.92	$0.89	$0.84

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

RESULTS OF OPERATIONS

REAL ESTATE RENTAL REVENUE: 1996 VERSUS 1995

Total revenues for 1996 increased $12.9 million to $65.5 million from $52.6 million in 1995. The percentage increase in real estate rental revenue from 1995 to 1996 by property type was as follows:

	1995/1996
Office Buildings	33%
Shopping Centers	10%
Apartments	28%
Industrial Distribution Centers	21%

During 1996, WRIT's Office Building revenues and operating income increased by 33% and 34%, respectively, over 1995. These increases were primarily due to 1995 acquisitions (6110 Executive Boulevard and 1220 19th Street) and 1996 acquisitions (Maryland Trade Centers I & II) combining with increased rental rates overall for the group.

During 1996, WRIT's Shopping Center revenues and operating income increased by 10% and 6% respectively over 1995. These increases were primarily due to the 1995 acquisition of Frederick County Square combining with increased rental rates overall for the group. These increases were partially offset by decreased occupancy levels in Concord and Montgomery Village.

WRIT's Apartment revenues and operating income increased by 28% and 25%, respectively, in 1996 over 1995. These increases were primarily due to increased rental rates throughout the group combining with the 1996 acquisitions of Walker

House Apartments and The Ashby at McLean.

WRIT's Industrial Distribution Center revenues and operating income increased by 21% and 19%, respectively, over 1995. These increases were primarily due to increased rental rates and occupancy levels overall for the group combining with the 1995 acquisitions (Tech 100 Industrial Park and Crossroads Distribution Center) and the 1996 acquisition of Alban Business Center. In December of 1996, WRIT also acquired The Earhart Building, a 92,300 square foot flex property which is 100% leased.

REAL ESTATE RENTAL REVENUE: 1995 VERSUS 1994

Total revenues for 1995 increased $7.1 million to $52.6 million from $45.5 million in 1994. The percentage increase in real estate rental revenue from 1994 to 1995 by property type was as follows:

	1994/1995
Office Buildings	22%
Shopping Centers	16%
Apartments	3%
Industrial Distribution Centers	20%

During 1995, WRIT's Office Building Group had increases of 22% in revenues and 17.4% in operating income due primarily to the acquisition of the Tycon II and III office buildings in 1994 and the 6110 Executive Boulevard and 1220 19th Street office buildings in 1995. The Tycon buildings were 71% occupied at acquisition in June of 1994 but averaged 94% occupancy during 1995. 6110 Executive Boulevard was acquired by the Trust January 31,1995 and averaged 94% occupancy during 1995. 1220 19th Street was acquired by the Trust in November, 1995. This property was 90% leased at December 31, 1995.

During 1995, WRIT's Shopping Center Group had increases of 16% in revenues and operating income due primarily to the repositioning of Chevy Chase Metro Plaza, as well as the acquisition of the Shoppes of Foxchase in 1994 and Frederick County Square in 1995.

WRIT's Apartment Group had increases of 3% in revenues and 2% in operating income during 1995. This increase was the result of a 3% increase in rents more than offsetting a 3.3% increase in operating expenses and a 1% decrease in occupancy to 96%. The major cause of the 3.3% increase in operating expenses was the adoption of a more conservative capitalization policy regarding repairs, replacements, and improvements.

During 1995, WRIT's Industrial Distribution Center Group had increases of 20% in revenues and 23% in operating income. This was due primarily to significant occupancy increases at Shirley - 395 and Fullerton, rental rate increases averaging 3.1% throughout the group, and the 1995 acquisition of Tech 100 Industrial Park. In December 1995, WRIT acquired Crossroads Distribution Center, a 100% leased property. Occupancy rates for the Industrial Distribution Center group overall averaged 97% in 1995.

OPERATING EXPENSES AND OTHER RESULTS OF OPERATIONS

Real estate operating expenses as a percentage of revenue was 33% for 1996 as compared to 32% for 1995 and 31% for 1994. This increase is attributable to an increase in occupancy levels and rental rates in 1996 offset by an increase in the office building segment of WRIT's portfolio. Operating expenses as a percentage of revenues are higher for office building properties than the other property types within the WRIT portfolio. WRIT's percentage of revenue from office buildings within its entire real estate portfolio has increased from being 39% at December 31, 1994 to 41% and 44% as of December 31, 1995 and 1996, respectively. The increase over 1994 is attributable to the 1995 and 1996 office building acquisitions.

Other income (expense) remained relatively constant between 1996 and 1995. In 1995, other income (expense) increased from 1994 due to investment earnings in 1995 on the net proceeds of approximately $48.0 million from the sale of 3.5 million shares of beneficial interest. 1995 other income (expense) also increased as a result of a 1994 charge of $800,000 to other income (expense) for the sale of a marketable investment security. Also in 1994, there was a charge to other income (expense) of $271,000 as the result of an audit assessment by the State of Maryland unclaimed property division.

Interest expense increased $3.3 million in 1996 from 1995. This increase is primarily attributed to the issuance of $100 million in debt securities in August 1996. An additional increase is due to advances on lines of credit being outstanding for longer periods in 1996 than in 1995. This increase in outstanding advances is due to an increase in acquisitions in 1996. 1995 interest expense of $2.2 million increased $1.6 million over 1994 interest expense due to an increase in line of credit advances for properties acquired. In addition, interest expense was incurred on the mortgage note payable assumed in August 1995 for the acquisition of Frederick County Square in 1995.

General and administrative expenses were $3.1 million for 1996 as compared to $2.9 million for 1995 and 1994. General and administrative expenses remained relatively constant between 1996 and 1995. The majority of the increase for 1995 as compared to 1994 is attributable to personnel additions since June of 1994 and continuing into 1995, partially offset by reduced pension costs and the completion of severance pay in June 1995 to WRIT's former Chairman and Chief Executive officer, B. Franklin Kahn, who retired in March 1995.

CAPITAL RESOURCES AND LIQUIDITY

WRIT has utilized the proceeds of share offerings, medium and long-term fixed interest rate debt, bank lines of credit and cash flow from operations for its capital needs. External sources of capital will continue to be available to WRIT from its existing unsecured credit commitments and management believes that additional sources of capital are available from selling additional shares and/or the sale of medium or long-term notes. The funds raised would be used to pay off any outstanding advances on our lines of credit and for new acquisitions and capital improvements.

In August 1996, WRIT sold $50 million of 7.125% 7-year unsecured notes due August 13, 2003, and $50 million of 7.25% unsecured 10-year notes due August 13, 2006. The 7-year notes were sold at 99.107% of par and the 10-year notes were sold at 98.166% of par. On August 13, 1996, WRIT received $97.9 million from the sale of senior unsecured notes. WRIT's underwriting expenses were $302,000 and thus the net proceeds received by the trust from the sale of the senior unsecured notes were $97.6 million. Approximately $67 million of the net proceeds was used to repay all borrowings outstanding under WRIT's lines of credit. Those borrowings were used for various 1995 and 1996 property acquisitions. An additional $20.7 million was used for acquisitions of The Ashby at McLean and The Alban Business Center, subsequent to August 13, 1996. The balance of the net proceeds was used to renovate, expand or improve income producing properties.

On July 25, 1995, WRIT received $48.9 million from the issuance and sale of 3.5 million shares. WRIT's other underwriting expenses were $233,000 resulting in net proceeds received by the Trust of $48.6 million. Approximately $36.0 million of the net proceeds were used to repay certain borrowings outstanding under the Trust's lines of credit resulting from 1994 and 1995 property acquisitions. $7.0 million of the net proceeds in addition to financing was used to acquire Frederick County Square and 1220 Nineteenth Street. The balance of the net proceeds was used to renovate, expand or improve income producing properties.

As of December 31, 1996, WRIT has line of credit commitments in place from commercial banks for up to $75.0 million. During 1996, WRIT acquired six properties for total acquisition costs of $69.9 million and during 1995, WRIT acquired five properties for total acquisition costs of $58.7 million. 1996 acquisitions were financed through additional advances on the lines of credit of $39.0 million and were subsequently paid off with proceeds from the issuance of the senior notes in 1996. In 1995, WRIT borrowed $44.0 million for acquisitions under its lines of credit, assumed a mortgage for $7.8 million and used $7.0 million of proceeds from its July, 1995 public offering to complete property acquisitions.

Cash flow from operating activities totaled $37.6 million, $31.0 million, and $29.8 million for the years ended December 31, 1996, 1995, and 1994, respectively, including net income of $28.0 million , $26.1 million and $23.1 million, respectively, and depreciation of $7.5 million, $5.1 million, and $3.9 million, respectively. The increase in cash flows from operating activities from 1995 to 1996 is attributable to the increase in depreciation resulting from 1995 and 1996 acquisitions, the interest accrued for debt service on the senior notes, and the increase in net income. This increase was offset by a decrease in cash attributable to the capitalization of issuance costs associated with senior notes issued in August 1996.

In 1995, increases in rents and other receivables, prepaid real estate taxes and insurance and increases in other liabilities and tenant security deposits due to 1995 properties acquired accounted for the decrease in cash flow from operating activities between 1995 and 1994.

Rental revenue has been the principal source of funds to pay WRIT's operating expenses, interest expense and dividends to shareholders. In 1996, 1995, and 1994, WRIT paid dividends totaling $32.7 million, $29.7 million, and $26.0

million, respectively.

Capital improvements of $12.0 million were completed in 1996, including tenant improvements. Improvements to WRIT properties in 1995 and 1994 were approximately $8.1 million and $5.8 million, respectively.

The components of WRIT's capital improvement costs for 1996 were as follows:

	(In thousands)
Acquisition Related	$2,335
Expansions and Major Renovations	4,039
Tenant Improvements	3,129
Other	2,469
Total	$11,972

Acquisition related costs are capital improvements made to properties acquired during 1996, 1995, and 1994, which were planned during the investment underwriting due diligence.

Management believes that it 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.

Historically WRIT has acquired 100% ownership in property. However, in 1995 WRIT formed a subsidiary partnership, WRIT Limited Partnership, in which WRIT currently owns 99.9% of the partnership interest. As of December 31, 1996, WRIT Limited Partnership has acquired eight properties for cash contributed or loaned to the partnership by WRIT. WRIT intends to use WRIT Limited Partnership to offer property owners an opportunity to contribute properties in exchange for WRIT Limited Partnership units. Such a transaction will enable property owners to diversify their holdings and to obtain a tax deferred contribution for WRIT Limited Partnership units rather than make a taxable cash sale. To date, no such exchange transactions have occurred. WRIT believes that WRIT Limited Partnership will provide WRIT an opportunity to acquire real estate assets which might not otherwise have been offered to it.

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 on the pages indicated.

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

On October 17, 1996, WRIT filed a Current Report on Form 8-K reporting a change in certifying accountant from Price Waterhouse LLP to Arthur Andersen LLP. See Item 14 (a) for listing of Exhibits.

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") not 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 1997 Annual Meeting Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is hereby incorporated by reference to WRIT's 1997 Annual Meeting Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is hereby incorporated by reference to WRIT's 1997 Annual Meeting Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is hereby incorporated by reference to WRIT's 1997 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 a part of this Report:

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

   Report of Independent Accountants'.

   Balance Sheets at December 31, 1996 and 1995.

   Statements of Income for the years ended December 31, 1996, 1995 and 1994.

   Statements of Changes in Shareholders' Equity for the years ended December 31, 1996, 1995 and 1994.

   Statements of Cash Flows for the years ended December 31, 1996, 1995 and 1994.

   Notes to 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.

<TABLE>
<CAPTION>

Schedule		Page
<S>		<C>
III	Real Estate and Accumulated Depreciation	36
	Supplementary Information: Quarterly Financial Results (unaudited)	38
	Supplementary Income Statement Information (unaudited)	39

</TABLE>

Schedules not listed above have been omitted because they are not applicable or 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.

   4.

      (a) Credit agreement dated March 1, 1995 between Washington Real Estate Investment Trust, as borrower, The First National Bank of Chicago, as Lender, and The First National Bank of Chicago as Agent. Incorporated herein by reference to the Exhibit of the same designation to the Trust's Form 10-K dated March 28, 1996.

      (b) Credit agreement dated July 25, 1995, among Washington Real Estate Investment Trust, as borrower, Crestar Bank, as lender, Signet Bank/Virginia, as lender, and Crestar Bank, as agent. Incorporated herein by reference to the Exhibit of the same designation to the Trust's Form 8-K dated May 17, 1996

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

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

(e) Form of 2003 Notes. *

(f) Form of 2006 Notes. *

10. Management contracts, plans and arrangements

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

(b) 1991 Incentive Stock Option Plan, As amended.

(c) Nonqualified Stock Option Agreement dated June 27, 1990 with B. Franklin Kahn. **

(d) Nonqualified Stock Option Agreement dated December 14, 1994 with Edmund B. Cronin, Jr. **

(e) Nonqualified Stock Option Agreement dated December 19, 1995 with Edmund B. Cronin, Jr. Incorporated herein by reference to the Exhibit of the same designation to the Trust's Form 10-K dated March 28, 1996.

(f) Senior Management Compensation Plan.

16. Letter certifying change in accountant

On October 17, 1996, WRIT filed a Current Report on Form 8-K reporting a change in certifying accountant from Price Waterhouse LLP to Arthur Andersen LLP. See Reports on Form 8-K

21. Subsidiaries of registrant

In 1995, WRIT formed a subsidiary partnership, WRIT Limited Partnership, a Maryland limited partnership, in which WRIT owns 99.9% of the partnership interest.

23. Consents

(a) Consent of Arthur Andersen LLP

(b) Consent of Arthur Andersen LLP

(c) Consent of Price Waterhouse LLP

27. Financial Data Schedule

ITEM 14(b)

Reports on Form 8-K: Forms 8-K was filed on October 17, 1996 with the Securities and Exchange Commission, reporting pursuant to Item 4a, the change in certifying accountants.

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

** 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.

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

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

Date: March 7, 1997,

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

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/ s / Arthur A. Birney Arthur A. Birney	Chairman and Trustee	March 7, 1997
/ s / William N. Cafritz William N. Cafritz	Trustee	March 7, 1997
/s/ Benjamin H. Dorsey Benjamin H. Dorsey	Secretary and Trustee	March 7, 1997
/ s / David M. Osnos David M. Osnos	Trustee	March 7, 1997
/ s / Stanley P. Snyder Stanley P. Snyder	Trustee	March 7, 1997
/ s / Larry E. Finger Larry E. Finger	Senior Vice President, Finance and Chief Financial Officer	March 7, 1997
/ s / B. Franklin Kahn B. Franklin Kahn	Trustee	March 7, 1997
/ s / Laura M. Franklin Laura M. Franklin	Vice President, Finance and Chief Accounting Officer	March 7, 1997

</TABLE>

Report of Independent Public Accountants

To the Shareholders of Washington Real Estate Investment Trust:

We have audited the accompanying consolidated balance sheet of Washington Real Estate Investment Trust (a Maryland corporation) and subsidiary as of December 31, 1996, and the related statements of income, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 audit provides 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 Washington Real Estate

Investment Trust and subsidiary as of December 31, 1996, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial statement schedule included on pages 36 through 37 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Washington, D.C.
February 24, 1997

Report of Independent Accountants

To the Trustees and Shareholders of
Washington Real Estate Investment Trust

In our opinion, the financial statements listed in the index appearing under item 14(a)(1) and (2) on page 18 present fairly, in all material respects, the financial position of Washington Real Estate Investment Trust at December 31, 1995, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 1995, in conformity with generally accepted accounting principles. 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 of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above. We have not audited the financial statements of Washington Real Estate Investment Trust for any period subsequent to December 31, 1995.

/s/ PRICE WATERHOUSE LLP
PRICE WATERHOUSE LLP

Washington, D.C.
March 27, 1996

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED BALANCE SHEETS

(In thousands)

<TABLE>
<CAPTION>

	December 31, 1996	December 31, 1995
<S>	<C>	<C>
Assets		
Real estate at cost	$ 352,579	$272,597
Accumulated depreciation	(46,639)	(41,022)
	305,940	231,575
Mortgage note receivable	799	800
Total investment in real estate	306,739	232,375
Cash and temporary investments	1,676	3,532
Rents and other receivables, net of allowance for doubtful accounts of $534 and $518, respectively	3,429	3,082
Prepaid expenses and other assets	6,644	2,795

	$ 318,488	$241,784
Liabilities		
Accounts payable and other liabilities	$ 5,954	$ 3,033
Tenant security deposits	2,523	1,828
Advance rents	1,798	1,482
Mortgage note payable	7,590	7,706
Line(s) of credit payable	5,000	28,000
Senior notes payable	100,000	-
	122,865	42,049
Shareholders' Equity		
Shares of beneficial interest, $.01 par value; 100,000 shares authorized: 31,803 shares issued and outstanding	318	-
Additional paid in capital	195,305	199,735
	195,623	199,735
	$ 318,488	$241,784

</TABLE>

See accompanying notes to consolidated financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

<TABLE>
<CAPTION>

	Year Ended December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
Real estate rental revenue	$ 65,541	$ 52,597	$ 45,511
Real estate expenses	(21,932)	(17,038)	(14,412)
	43,609	35,559	31,099
Depreciation and amortization	(7,784)	(5,084)	(3,933)
Income from real estate	35,825	30,475	27,166
Other income (expense)	708	715	(550)
Interest expense	(5,474)	(2,170)	(614)
General and administrative	(3,095)	(2,917)	(2,880)
Net income	$ 27,964	$ 26,103	$ 23,122
Net income per share	$ 0.88	$ 0.88	$ 0.82

</TABLE>

See accompanying notes to consolidated financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands, except share data)

<TABLE>
<CAPTION>

<S>	Shares <C>	Par Value <C>	Additional Paid in Capital <C>	Shareholders' Equity <C>
Balance, December 31, 1993	28,228	$ -	$157,348	$157,348
Net income			23,122	23,122
Dividends			(25,981)	(25,981)
Share options exercised	15	-	170	170
Balance, December 31, 1994	28,243	-	154,659	154,659
Net income			26,103	26,103
Net proceeds from sale of shares	3,500	-	48,610	48,610
Dividends			(29,712)	(29,712)
Share options exercised	9	-	75	75
Balance, December 31, 1995	31,752	-	199,735	199,735
Net income			27,964	27,964
Dividends			(32,718)	(32,718)
State of Maryland reorganization		318	(318)	0
Share options exercised	51	-	642	642
Balance, December 31, 1996	31,803	$ 318	$195,305	$195,623

</TABLE>

See accompanying notes to consolidated financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

<TABLE>

<CAPTION>

	Year Ended December 31, 1996	1995	1994
<S>	<C>	<C>	<C>
Cash Flow From Operating Activities			
Net income	$ 27,964	$ 26,103	$ 23,122
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	7,496	5,084	3,933
Changes in other assets	(1,832)	(395)	479
Changes in other liabilities	3,932	195	1,485
Loss on sale of marketable securities	-	-	800
Cash flow provided by operating activities	37,560	30,987	29,819
Cash Flow From Investing Activities			
Improvements to real estate	(11,972)	(8,124)	(5,787)
Real estate acquisitions, net *	(69,888)	(50,994)	(30,729)
Maturities and sales of marketable securities	-	-	15,485
Net cash used in investing activities	(81,860)	(59,118)	(21,031)
Cash Flow From Financing Activities			
Dividends paid	(32,718)	(29,712)	(25,981)
Draws on lines of credit	44,000	46,000	18,000
Repayments on lines of credit	(67,000)	(36,000)	-
Mortgage principal payments	(117)	(46)	-
Net proceeds from sale of shares	-	48,610	-
Net proceeds from debt offering	97,637	-	-
Share options exercised	642	75	170
Net cash flow provided by (used in) financing activities	42,444	28,927	(7,811)
Net (decrease) increase in cash and temporary investments	(1,856)	796	977
Cash and temporary investments at beginning of year	3,532	2,736	1,759
Cash and temporary investments at end of year	$ 1,676	$ 3,532	$ 2,736
Supplemental disclosure of cash flow information			
Cash paid during the year for interest	$ 2,747	$ 2,111	$ 515

</TABLE>

*Supplemental schedule of non-cash investing and financing activities

On August 22, 1995 WRIT purchased Frederick Square Shopping Center for an acquisition cost of $13.4 million. WRIT assumed a mortgage in the amount of

$7.8 million and paid the balance in cash. The $7.8 million is not included in the $51 million amount shown as real estate acquisitions.

See accompanying notes to consolidated financial statements

NOTE A: NATURE OF BUSINESS

Washington Real Estate Investment Trust ("WRIT" or the "Trust") is a self-administered qualified equity real estate investment trust successor to a trust organized in 1960. The Trust's business consists of the ownership of income-producing real estate properties in the Mid-Atlantic Region.

WRIT operates in a manner intended to enable it to qualify as a real estate investment trust under the Internal Revenue Code (the "Code"). In accordance with the Code, a trust which distributes its capital gains and at least 95% 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. Accordingly, no provision for Federal income taxes is required.

In June 1996, WRIT changed its domicile from the District of Columbia to the State of Maryland. Issued and outstanding shares were assigned a par value of $.01 per share.

NOTE B: ACCOUNTING POLICIES

BASIS OF PRESENTATION

In 1995 WRIT formed a subsidiary partnership, WRIT Limited Partnership, a Maryland limited partnership, in which WRIT currently owns 99.9% of the partnership interest. WRIT Limited Partnership's financial statements are being consolidated with WRIT's financial statements. All significant intercompany balances and transactions have been eliminated. Minority Interests are included in other income (expense) and accounts payable and other liabilities on the accompanying consolidated statements.

REVENUE RECOGNITION

Residential properties are leased under operating leases with terms of generally one year or less, and commercial properties are leased under operating leases with average terms of three years. WRIT recognizes rental income from its residential and commercial leases when earned and accounts for all rental abatements on a straight-line basis.

DEFERRED FINANCING COSTS

Costs associated with the issuance of senior subordinated notes are capitalized and being amortized using the effective interest rate method over the term of the related notes.

REAL ESTATE AND DEPRECIATION

Buildings are depreciated on a straight-line basis over estimated useful lives not exceeding 50 years. Effective January 1, 1995, WRIT revised its estimate of useful lives for major capital improvements to real estate. 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 using the straight-line method over 5 years or the term of the lease if it differs significantly from 5 years. Capital improvements placed in service prior to January 1, 1995 will continue to be depreciated on a straight-line basis over their previously estimated useful lives not exceeding 30 years. Maintenance and repair costs are charged to expense as incurred. Depreciation expense for Federal income tax purposes differs from that reported for financial statement purposes by $2.8 million due to the use of different lives and depreciation methods. Additionally, net

assets as reported in WRIT's financial statements exceed the net basis for Federal Income Tax purposes by $14.6 million due to a lower basis of certain real estate assets acquired by tax-free exchanges.

In March 1995, The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which requires impairment losses to be recorded 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. SFAS No. 121 also addresses the accounting for long-lived assets that are expected to be disposed of. The Company adopted SFAS No. 121 in the first quarter of 1996, which had no impact on the accompanying consolidated financial statements.

CASH AND TEMPORARY INVESTMENTS

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

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

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

NOTE C: REAL ESTATE INVESTMENTS
WRIT's real estate investment portfolio, at cost, consists of properties located in Maryland, Washington, D.C., Virginia and Delaware as follows:
<TABLE>
<CAPTION>

	December 31, (In thousands) 1996	1995
<S>	<C>	<C>
Office buildings	$163,192	$128,222
Shopping centers	60,694	27,196
Apartment buildings	84,060	82,108
Industrial distribution centers	44,633	35,071
	$352,579	$272,597

</TABLE>

WRIT's results of operations are dependent on the overall economic health of their tenants and the specific segments in which WRIT holds properties, as well as the overall economic health of the Washington, D.C. metropolitan region. These segments include commercial, residential, 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 segment could reduce merchant sales, which could adversely affect the operating results of WRIT. As of December 31, 1996, 1995 and 1994, no single tenant or property accounted for more than 10% of total assets or total revenues.

Properties acquired by WRIT during the year ending December 31, 1996 are as follows:
<TABLE>
<CAPTION>

Acquisition Date	Property	Type	Rentable Square Feet/Units	Acquisition Cost (In thousands)
<S>	<C>	<C>	<C>	<C>
3/13/96	Walker House Apartments	Residential	148,000*/196	$10,797
5/17/96	Maryland Trade Center I	Office	191,000	16,077
5/17/96	Maryland Trade Center II	Office	159,000	12,313
8/26/96	The Ashby at McLean	Residential	349,000*/250	21,481
10/31/96	The Alban Business Center	Industrial	87,000	4,176
12/19/96	The Earhart Building	Industrial	92,000	5,044
			1,026,000/446	$69,888

</TABLE>

*Apartment buildings are presented in gross square feet

NOTE D: MORTGAGE NOTE PAYABLE
On August 22, 1995 WRIT assumed a $7.8 million mortgage note payable as partial consideration for its acquisition of Frederick County Square. The mortgage bears interest at 9%. Principal and interest are payable monthly until January 1, 2003 at which time all unpaid principal and interest are payable in full. Annual maturities of principal as of December 31, 1996 are as follows:
<TABLE>

<CAPTION>

(In thousands)	
1997	$ 128
1998	140
1999	153
2000	167
2001	183
Thereafter	6,819
	$7,590

</TABLE>

NOTE E: UNSECURED LINES OF CREDIT PAYABLE
On January 26, 1995 WRIT borrowed $16.0 million on a short-term bank loan at the bank's then prime rate of 8.5%. Interest only was payable monthly on the unpaid principal balance at the bank's corporate base rate. On March 8, 1995, the $16.0 million short-term loan was replaced with an unsecured credit commitment of $25.0 million and the outstanding advance of $16.0 million was transferred to this new commitment. The following advances have been made under this commitment.
<TABLE>
<CAPTION>

Advance Date	Date Paid in Full	Amount (In thousands)	1996 Rate	1995 Rate
March 8, 1995	September 8, 1995	$16,000	-	6.80%
May 15, 1995	August 19, 1996	7,000	5.99%	5.99%-6.425%
June 28, 1995	July 31, 1995	2,000	-	6.42%
November 2, 1995	September 28, 1996	18,000	6.11%-5.74%	6.11%
September 26, 1996	-	4,000	6.83%	-

</TABLE>

Interest only is payable monthly, in arrears, on the unpaid principal balance. All new advances and interest rate adjustments upon the expiration of WRIT's interest lock-in dates will bear interest at LIBOR plus a spread based on WRIT's credit rating on its publicly issued debt. All unpaid interest and principal can be prepaid prior to the expiration of WRIT's interest rate lock-in periods subject to a yield maintenance obligation and all unpaid principal and interest are due January 31, 1999.

This $25.0 million credit commitment requires WRIT to pay the lender an unused commitment fee at the rate of 0.15% per annum in the first year, 0.20% per annum until August 1996, and .175% thereafter, on the amount that the $25.0 million commitment exceeds the balance of outstanding advances and term loans. At December 31, 1996, $21.0 million of this commitment was unused and available for subsequent acquisitions or capital improvements. This fee is payable monthly beginning March, 1995 until January, 1999. This commitment also contains certain financial covenants related to debt, net worth, and cash flow, and non-financial covenants which WRIT has met as of December 31, 1996.

On July 27, 1995 WRIT renegotiated its other $25.0 million unsecured credit commitment and replaced it with an unsecured credit commitment of $50.0 million from the same bank and a participating bank for the express purpose of purchasing income-producing property and to make capital improvements to real property. The following advances have been made under this commitment.
<TABLE>
<CAPTION>

Advance Date	Date Paid in Full	Amount (In thousands)	1996 Rate	1995 Rate
December 21, 1995	August 13, 1996	$3,000	6.15%-6.06%	6.15%
March 13, 1996	August 13, 1996	11,000	5.78%-6.25%	-
May 17, 1996	August 13, 1996	28,000	6.06%	-
November 26, 1996	-	1,000	6.05%	-

</TABLE>

Interest only is payable monthly, in arrears, on the unpaid principal balance. All unpaid interest and principal are due July 25, 1997, 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 interest coverage ratio.

This credit agreement provides WRIT the option to convert any advances or portions thereof into a term loan at any time after January 27, 1996 and prior to July 25, 1997. The principal amount of each term loan, if any, shall be repaid on July 27, 1999. Such term loan(s) may be prepaid subject to a prepayment fee.

The $50.0 million credit commitment requires WRIT to pay the lender an unused commitment fee at the rate of 0.15% per annum on the amount by which $50.0 million exceeds the balance of outstanding advances and term loans. At December 31, 1996, $49.0 million of this commitment was unused. This fee is payable quarterly in arrears beginning October 1995 until July 25, 1997. This commitment also contains an interest coverage ratio covenant and certain other non-financial covenants which WRIT has met as of December 31, 1996.

Information related to short term borrowings are as follows (in thousands).
<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>
Maximum Amount Outstanding	$67,000	$43,000
Average Amount Outstanding	31,000	28,000
Weighted Average Interest Rate	6.18%	6.42%

</TABLE>

NOTE F: SENIOR NOTES PAYABLE
On August 8, 1996 WRIT entered into an underwriting agreement to sell $50 million of 7.125% 7-year unsecured notes due August 13, 2003, and $50 million of 7.25% unsecured 10-year notes due August 13, 2006. This transaction closed on August 13, 1996. The 7-year notes were sold at 99.107% of par and the 10-year notes were sold at 98.166% of par. Net proceeds to the Trust after deducting underwriting expenses were $97.6 million. The 7-year notes bear an effective interest rate of 7.46% and the 10 year notes bear an effective interest rate of 7.49% for a combined effective interest rate of 7.47%. WRIT used the proceeds of these notes to pay down its lines of credit and to finance acquisitions and capital improvements to its properties. These notes also contain certain financial and non-financial covenants which WRIT has met as of December 31, 1996.

NOTE G: SHARES OF BENEFICIAL INTEREST AND DIVIDENDS
Net income per share is calculated by dividing net income by the weighted average number of shares outstanding during the year. The weighted average shares outstanding were 31.8 million, 29.8 million and 28.2 million in 1996, 1995, and 1994, respectively.

The following is a breakdown of the taxable percentage of WRIT's dividends for 1996, 1995 and 1994, respectively:
<TABLE>
<CAPTION>

<S>	Ordinary Income <C>	Return of Capital <C>
1996	91%	9%
1995	89%	11%
1994	91%	9%

</TABLE>

NOTE H: SHARE OPTIONS
WRIT maintains a Share Option Plan (the "Plan"), which includes qualified and non-qualified options. As of December 31, 1996, 1.3 million shares may be awarded to eligible employees. Under the Plan, 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. Options may be granted under the Plan at any time prior to June 25, 2001. Activity under the plan is summarized below:
<TABLE>
<CAPTION>

	1996		1995		1994	
<S>	Shares <C>	Wtd Avg Ex Price <C>	Shares <C>	Wtd Avg Ex Price <C>	Shares <C>	Wtd Avg Ex Price <C>
Outstanding at January 1	320,000	$14.003	265,000	$13.983	237,000	$12.868
Granted	96,000	16.150	64,000	14.625	67,000	16.905
Exercised	(51,000)	12.536	(9,000)	8.090	(15,000)	11.392
Expired	-	-	-	-	(24,000)	16.891
Outstanding at December 31	364,000	14.776	320,000	14.003	265,000	13.983
Exercisable at December 31	216,000	14.449	201,000	13.760	161,000	13.229
Weighted average fair value of options granted		$ 4.600		$ 4.170		

</TABLE>

216,000 of the options outstanding at December 31, 1996 are exercisable at prices between $11.710 and $20.625, with a weighted average exercise price of $14.449 and a weighted average remaining contractual life of 5.72 years. The remaining 148,000 options will be exercisable starting at exercise prices between $12.410 and $16.1875, with a weighted average exercise price of $15.253 and a remaining contractual life of 8.63 years.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1996; risk-free interest rates of 6.34 percent for the Plan options, expected dividend yields of 4.29 percent, expected lives of 7 years, and expected volatility of 33 percent.

On June 27, 1990, the then Chairman and Chief Executive Officer was granted non-qualified share options for 150,000 shares at $11.71, the per share market price on that day. These shares were exercisable 20% at date of grant and 20% upon each anniversary over a four year period. Share options of 60,000 in 1991 and 30,000 in 1992 were exercised leaving 60,000 remaining to be exercised. In June 1995, 56,000 of qualified share options granted to WRIT's former Chairman, B. Franklin Kahn became non-qualified share options, three months after his retirement. These shares are exercisable 10% per year. As of December 31, 1996, 32,000 of these options are exercisable.

On December 19, 1995 the President and Chief Executive Officer of WRIT was granted non-qualified share options for 13,000 shares at $14.625, the per share market price that day. On December 14, 1994, non-qualified share options were granted for 9,000 shares at the June 1, 1994 market price of $19.25. All shares are 50% exercisable after the first anniversary date and 100% exercisable after the second anniversary date. As of December 31, 1996, 10,000 shares are exercisable.

WRIT accounts for shares granted pursuant to its Share Option Plan under APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for these plans 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 (in thousands, except per share data):
<TABLE>
<CAPTION>

		1996	1995
<S>	<C>	<C>	<C>
Net Income:	As Reported	$27,964	$26,103
	Pro Forma	27,522	25,833
Earnings Per Share:	As Reported	$0.88	$0.88
	Pro Forma	$0.87	$0.87

</TABLE>

Because the method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation may not be representative of that to be expected in future years.

WRIT has computed basic earnings per share. The calculation of primary and fully diluted earnings per share is immaterial and therefore not presented.

NOTE I: PENSION PLAN AND OTHER BENEFIT PLANS

WRIT maintains 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 anticipates terminating the plan no later than December 31, 1999. Since there are no further benefit accruals provided under the plan, WRIT has substantially reduced its funding obligation and there will be no further increases in the ABO or PBO. In addition, WRIT holds a Pension and Supplemental Deferred Compensation Plan for its previous Chairman and Chief Executive Officer. Upon retirement, the Plan's ABO and PBO become equal. Benefits under both plans were generally based on years of service and final average pay.

Pension costs are accrued and funded annually from plan entry date in the plan to projected retirement date and includes the following components (in thousands).
<TABLE>
<CAPTION>

	1996	1995	1994
<S>	<C>	<C>	<C>
Service cost	$ 4	$ 17	$30
Interest cost on projected benefit obligation	122	180	270

Actual return on plan assets	(83)	(140)	(105)
Net amortization and deferral	54	(30)	(105)
Net pension expense	$97	$ 27	$ 90

</TABLE>

The assumed long-term rate of return is 7.00% in 1996 and 8.00% in 1995 and 1994. Plan obligations in excess of amounts permitted under the Tax Equity and Fiscal Responsibility Act of 1982 are accrued as a liability of WRIT and included in total pension cost. The funded status of the plan is as follows (in thousands):

<TABLE>
<CAPTION>

	1996	1995
<S>	<C>	<C>
Actuarial present value of benefit obligation:		
Accumulated benefit obligation-		
Vested benefits	$1,507	$1,625
Nonvested benefits	246	38
Total accumulated benefit obligation	$1,753	$1,663
Projected benefit obligation for service rendered to date	$1,753	$1,663
Plan assets at fair value	827	673
Projected benefit obligation in excess of plan assets	926	990
Unrealized net loss of projected benefit obligation	(200)	(60)
Unrealized net transition obligation accrued pension liability	(5)	(11)
Total accrued pension liability	$ 721	$ 919

</TABLE>

The plan assets are invested in various life insurance policies and money market accounts.

The liabilities are calculated using an assumed discount rate of 7.00% and 8.00% for December 31, 1996 and 1995, respectively, and an assumed compensation increase of 5% for 1995.

In 1995, annuity contracts were purchased with plan assets for two participants who retired during 1995, one being WRIT's former Chairman and Chief Executive Officer B. Franklin Kahn. The cost of said annuities was $1,593,000 and the reduction in the PBO was $1,632,000.

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.

During 1996, management adopted an Incentive Compensation Plan ("the Compensation Plan") for its senior personnel which will align their compensation growth with shareholders' interests. Essentially, the Compensation Plan limits future salary increases and provides cash bonus incentives and stock option grants under the Share Option Plans based on performance. The financial incentives to management are earned after WRIT has achieved a minimum prescribed growth. This plan is effective for the 1996 and 1997 years and will be reviewed by the Board of Trustees' Compensation Committee each year.

NOTE J: FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107 requires disclosure about the fair value of financial instruments. Based on the current interest rate environment and management estimates, the carrying values of the mortgage note payable, mortgage note receivable, and senior subordinated notes approximates their fair values.

NOTE K: RENTALS UNDER OPERATING LEASES

Noncancelable commercial operating leases provide for minimum rental income during each of the next five years of approximately $47.0 million, $39.0 million, $30.4 million, $20.1 million, $13.0 million, and $21.8 million thereafter. Apartment leases are not included as they are generally for one year. Most of these commercial rentals 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

$483,000, $496,000, and $428,000 in 1996, 1995 and 1994 respectively.

NOTE L: ENVIRONMENTAL MATTERS

During 1995, WRIT retained the services of an environmental consulting firm to test for asbestos in 29 of its properties built before 1981, in accordance with Occupational Safety and Health Administration standards. In the second quarter of 1996, asbestos containing materials were identified for remediation at 11 properties for an estimated cost of $295,000. As of December 31, 1996 no costs have been incurred on this matter. WRIT estimates these remediations will be completed by the first quarter of 1997.

NOTE M: SUBSEQUENT EVENT

On February 28, 1997, WRIT acquired Ammendale Technology Park I and II, an industrial center located in Beltsville, Maryland for an acquisition cost of $13.5 million. WRIT borrowed $14.0 million from its line of credit for this acquisition at a rate of 6.04% until May 29, 1997 at which time the rate will adjust to LIBOR plus a spread. Interest only is payable monthly, in arrears, on the unpaid principal balance.

WASHINGTON REAL ESTATE INVESTMENT TRUST SCHEDULE III
SUMMARY OF REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

<TABLE>
<CAPTION>

		Initial Cost (b)		Net Improvements	Gross Amounts at which carried at December 31, 1996	
Properties	Location	Land	Building and Improvements	(Retirements) since Acquisition	Land	Buildings and Improvements
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Office Buildings						
The WRIT Building	Maryland	$222,000	$1,691,000	$3,080,000	$222,000	$4,771,000
1901 Pennsylvania Avenue	Washington, D.C.	892,000	3,481,000	5,291,000	892,000	8,772,000
One Metro Square	Maryland	840,000	10,869,000	6,321,000	840,000	17,190,000
444 North Frederick Avenue	Maryland	813,000	3,818,000	1,338,000	813,000	5,156,000
7700 Leesburg Pike	Virginia	3,669,000	4,000,000	4,312,000	3,669,000	8,312,000
Arlington Financial Center	Virginia	3,000,000	3,293,000	202,000	3,000,000	3,495,000
515 King Street	Virginia	4,102,000	3,931,000	732,000	4,102,000	4,663,000
The Lexington Building	Maryland	1,180,000	1,263,000	389,000	1,180,000	1,652,000
The Saratoga Building	Maryland	1,464,000	1,554,000	654,000	1,464,000	2,208,000
Brandywine Center	Maryland	718,000	735,000	224,000	718,000	959,000
Tycon Plaza II	Virginia	3,262,000	7,243,000	1,025,000	3,262,000	8,268,000
Tycon Plaza III	Virginia	3,255,000	7,794,000	766,000	3,255,000	8,560,000
6110 Executive Boulevard	Maryland	4,621,000	11,895,000	1,191,000	4,621,000	13,086,000
1220 19th Street	Washington, D.C.	7,802,000	11,366,000	110,000	7,802,000	11,476,000
Maryland Trade Center I	Maryland	3,330,000	12,747,000	298,000	3,330,000	13,045,000
Maryland Trade Center II	Maryland	2,826,000	9,487,000	96,000	2,826,000	9,583,000
		41,996,000	95,167,000	26,029,000	41,996,000	121,196,000
Shopping Centers						
Concord Centre	Virginia	413,000	850,000	2,667,000	413,000	3,517,000
Bradlee	Virginia	4,152,000	5,428,000	3,540,000	4,152,000	8,968,000
Clairmont	Maryland	155,000	892,000	672,000	155,000	1,564,000
Dover Mart	Delaware	244,000	464,000	726,000	244,000	1,190,000
Chevy Chase Metro Plaza	Washington, D.C.	1,549,000	4,304,000	2,852,000	1,549,000	7,156,000
Prince William Plaza	Virginia	171,000	820,000	940,000	171,000	1,760,000
Takoma Park	Maryland	415,000	1,085,000	1,000	415,000	1,086,000
Westminster	Maryland	553,000	1,889,000	1,776,000	553,000	3,665,000
Wheaton Park	Maryland	623,000	857,000	1,335,000	623,000	2,192,000
Montgomery Village Center	Maryland	11,624,000	9,105,000	616,000	11,624,000	9,721,000
Shoppes of Foxchase	Virginia	5,838,000	2,980,000	906,000	5,838,000	3,886,000
Frederick County Square (e)	Maryland	6,561,000	6,830,000	227,000	6,561,000	7,057,000
		32,298,000	35,504,000	16,258,000	32,298,000	51,762,000
Apartment Buildings						
Country Club Towers	Virginia	299,000	2,561,000	2,392,000	299,000	4,953,000
Munson Hill Towers	Virginia	(a) -	3,337,000	3,818,000	(a) -	7,155,000
Park Adams	Virginia	287,000	1,654,000	2,798,000	287,000	4,452,000
Roosevelt Towers	Virginia	336,000	1,996,000	1,693,000	336,000	3,689,000
3801 Connecticut Avenue	Washington, D.C.	420,000	2,678,000	3,938,000	420,000	6,616,000
The Ashby at McLean	Virginia	4,356,000	17,125,000	65,000	4,356,000	17,190,000
Walker House Apartments	Virginia	2,851,000	7,946,000	144,000	2,851,000	8,090,000
		8,549,000	37,297,000	14,848,000	8,549,000	52,145,000
Industrial Distribution Centers						
Pepsi-Cola	Maryland	760,000	1,792,000	1,560,000	760,000	3,352,000
Capitol Freeway Center	Washington, D.C.	300,000	1,205,000	2,625,000	300,000	3,830,000
Department of Commerce	Virginia	347,000	1,009,000	1,335,000	347,000	2,344,000
Fullerton	Virginia	950,000	3,317,000	755,000	950,000	4,072,000

Ravensworth Center	Virginia	392,000	1,059,000	355,000	392,000	1,414,000
Shirley I-395 Business Center	Virginia	652,000	1,265,000	1,101,000	652,000	2,366,000
V Street Distribution Center	Washington, D.C.	126,000	317,000	162,000	126,000	479,000
Charleston Business Center	Maryland	2,045,000	2,091,000	130,000	2,045,000	2,221,000
Tech 100 Industrial Park	Maryland	2,086,000	4,744,000	69,000	2,086,000	4,813,000
Crossroads Distribution Center	Maryland	894,000	1,945,000	24,000	894,000	1,969,000
The Alban Business Center	Virginia	878,000	3,298,000	0	878,000	3,298,000
The Earhart Building	Virginia	916,000	4,128,000	1,000	916,000	4,129,000
		10,346,000	26,170,000	8,117,000	10,346,000	34,287,000
Totals		$93,189,000	$194,138,000	$65,252,000	$93,189,000	$259,390,000

<CAPTION>

Depreciation Properties (c)	Gross Amounts at which carried at December 31, 1996 Total (d)	Accumulated Depreciation at December 31, 1996	Date of Construction	Date of Acquisition		Net Rentable Square Feet (f)	Units	Life
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OFFICE BUILDINGS								
The WRIT Building	$4,993,000	$1,414,000	1965	August	1979	$65,000		31 Years
1901 Pennsylvania Avenue	9,664,000	2,872,000	1960	May	1977	97,000		28 Years
One Metro Square	18,030,000	5,824,000	1975	August	1979	210,000		41 Years
444 North Frederick Avenue	5,969,000	604,000	1981	October	1989	66,000		50 Years
7700 Leesburg Pike	11,981,000	583,000	1976	October	1990	145,000		50 Years
Arlington Financial Center	6,495,000	310,000	1963	June	1992	51,000		50 Years
515 King Street	8,765,000	383,000	1966	July	1992	78,000		50 Years
The Lexington Building	2,832,000	26,000	1970	November	1993	47,000		50 Years
The Saratoga Building	3,672,000	115,000	1977	November	1993	59,000		50 Years
Brandywine Center	1,677,000	27,000	1969	November	1993	35,000		50 Years
Tycon Plaza II	11,530,000	413,000	1981	June	1994	131,000		50 Years
Tycon Plaza III	11,815,000	381,000	1978	June	1994	152,000		50 Years
6110 Executive Boulevard	17,707,000	601,000	1971	January	1995	199,000		30 Years
1220 19th Street	19,278,000	426,000	1976	November	1995	104,000		30 Years
Maryland Trade Center I	16,375,000	297,000	1981	May	1996	191,000		30 Years
Maryland Trade Center II	12,409,000	206,000	1984	May	1996	159,000		30 Years
	163,192,000	14,482,000				1,789,000		
SHOPPING CENTERS								
Concord Centre	3,930,000	1,018,000	1960	December	1973	76,000		33 Years
Bradlee	13,120,000	2,967,000	1955	December	1984	168,000		40 Years
Clairmont	1,719,000	703,000	1965	December	1976	40,000		39 Years
Dover Mart	1,434,000	447,000	1960	January	1973	44,000		40 Years
Chevy Chase Metro Plaza	8,705,000	1,212,000	1975	September	1985	51,000		50 Years
Prince William Plaza	1,931,000	686,000	1967	August	1968	55,000		50 Years
Takoma Park	1,501,000	753,000	1962	July	1963	59,000		50 Years
Westminster	4,218,000	1,848,000	1969	September	1972	165,000		37 Years
Wheaton Park	2,815,000	443,000	1967	September	1977	47,000		49 Years
Montgomery Village Center	21,345,000	725,000	1969	December	1992	196,000		50 Years
Shoppes of Foxchase	9,724,000	167,000	1960	June	1994	128,000		50 Years
Frederick County Square (e)	13,618,000	311,000	1973	August	1995	233,000		30 Years

	84,060,000	11,280,000				1,262,000		
APARTMENT BUILDINGS								
Country Club Towers	5,252,000	2,584,000	1965	July	1969	276,000	227	35 Years
Munson Hill Towers	7,155,000	3,503,000	1963	January	1970	340,000	279	33 Years
Park Adams	4,739,000	1,958,000	1959	January	1969	210,000	200	35 Years
Roosevelt Towers	4,025,000	1,922,000	1964	May	1965	229,000	191	40 Years
3801 Connecticut Avenue	7,036,000	3,624,000	1951	January	1963	242,000	307	30 Years
The Ashby at McLean	21,546,000	205,000	1982	August	1996	349,000	250	30 Years
Walker House Apartments	10,941,000	221,000	1971	March	1996	148,000	196	30 Years
	60,694,000	14,017,000				1,794,000	1,650	
INDUSTRIAL DISTRIBUTION CENTER								
Pepsi-Cola	4,112,000	559,000	1971	October	1987	69,000		40 Years
Capitol Freeway Center	4,130,000	1,596,000	1940	July	1974	145,000		25 Years
Department of Commerce	2,691,000	1,533,000	1964	December	1971	105,000		43 Years
Fullerton	5,022,000	888,000	1980	September	1985	103,000		50 Years
Ravensworth Center	1,806,000	307,000	1965	December	1986	29,000		40 Years
Shirley I-395 Business Center	3,018,000	1,296,000	1960	September	1961	113,000		40 Years
V Street Distribution Center	605,000	220,000	1960	October	1973	31,000		40 Years
Charleston Business Center	4,266,000	141,000	1973	November	1993	85,000		50 Years
Tech 100 Industrial Park	6,899,000	228,000	1990	May	1995	167,000		30 Years
Crossroads Distribution Center	2,863,000	68,000	1987	December	1995	85,000		30 Years
The Alban Business Center	4,176,000	19,000	1981	October	1996	87,000		30 Years
The Earhart Building	5,045,000	5,000	1987	December	1996	92,000		30 Years
	44,633,000	6,860,000				1,111,000		
Totals	$352,579,000	$46,639,000				5,956,000	1,650	

</TABLE>

Notes:

(a) The site of Munson Hill Towers is rented under a lease requiring annual payments of $22,600 until the expiration of the lease in 2060.

(b) The purchase of real estate investments has been divided between land and buildings and improvements on the basis of valuations by the Trust.

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

(d) At December 31, 1996 total land, buildings and improvements are carried at $338,008,000 for federal income tax purposes.

(e) At December 31, 1996, the only mortgage encumbrance was the $7,590,000 mortgage note payable on Frederick County Square.

(f) Residential properties are presented in gross square feet

WASHINGTON REAL ESTATE INVESTMENT TRUST SCHEDULE III

SUMMARY OF REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

(In thousands)

Continued

The following is a reconciliation of real estate assets and accumulated depreciation for the years ended December 31, 1996, 1995, and 1994:

<TABLE>
<CAPTION>

	Year Ended December 31,		
	1996	1995	1994

REAL ESTATE ASSETS			
Balance, beginning of period	$272,597	$206,378	$170,461
Additions - property acquisitions	69,888	58,746	30,729
- improvements	11,972	8,124	5,787
Deductions - write-off of fully depreciated assets	(1,878)	(651)	(599)
Balance, end of period	$352,579	$272,597	$206,378

ACCUMULATED DEPRECIATION			
Balance, beginning of period	$41,021	$36,588	$33,255
Additions - depreciation (a)	7,496	5,084	3,933
Deductions - write-off of fully depreciated assets	(1,878)	(651)	(600)
Balance, end of period	$46,639	$41,021	$36,588

</TABLE>

(a) Total depreciation charged to income in 1996, 1995, and 1994, respectively, consists of the following:

	1996	1995	1994
Depreciation on real estate investments	$7,496	$5,084	$3,933
Depreciation on office furniture, fixtures and equipment (included in general and administrative expenses)	66	48	45
	$7,562	$5,132	$3,978

</TABLE>

SUPPLEMENTARY INFORMATION:
QUARTERLY FINANCIAL RESULTS (Unaudited)
(In thousands, except per share data)

	Quarter			
1996	First	Second	Third	Fourth
Real estate rental revenue	$14,681	$15,830	$17,056	$17,974
Net income	6,952	7,083	6,848	7,080
Net income per share	$0.22	$0.22	$0.22	$0.22
1995	First	Second	Third	Fourth

Real estate rental revenue	$12,464	$12,828	$13,273	$14,032
Net income	6,159	6,198	6,835	6,910
Net income per share	$0.22	$0.22	$0.22	$0.22
1994				
Real estate rental revenue	$11,312	$10,759	$11,759	$11,681
Net income	5,805	5,828	5,847	5,643
Net income per share	$0.21	$0.21	$0.21	$0.20

</TABLE>

WASHINGTON REAL ESTATE INVESTMENT TRUST
SUPPLEMENTARY INCOME STATEMENT INFORMATION (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 1996
(In thousands)

<TABLE>

<S>	<C>
Year ended December 31, 1996	
Repairs and maintenance	$3,190
Real estate taxes	4,782
Utilities	5,194
Year ended December 31, 1995	
Repairs and maintenance	2,607
Real estate taxes	3,683
Utilities	3,838
Year ended December 31, 1994	
Repairs and maintenance	2,249
Real estate taxes	3,208
Utilities	3,251

</TABLE>

EXHIBIT 10(b)

WASHINGTON REAL ESTATE INVESTMENT TRUST
1991 STOCK OPTION PLAN
AS AMENDED

1. Purpose. This 1991 Stock Option Plan ("Plan") is intended to provide incentive to selected officers of Washington Real Estate Investment Trust (the "Trust") and to persons who are otherwise designated by the Committee (described in Section 2) as key employees of the Trust by providing those individuals with opportunities to purchase shares of beneficial interest of the Trust ("Shares") under (a) incentive stock options ("Incentive Stock Options") as such term is defined in Section 422(b) of the Internal Revenue Code of 1986, as amended ("Code") and (b) other stock options ("Nonqualified Stock Options"). (Incentive Stock Options and Nonqualified Stock Options shall be referred to collectively as "Options".) The Plan is intended to be a successor plan to the Trust's Incentive Stock Option Plan approved by the shareholders of the Trust in 1982 and thereafter amended from time-to-time.

2. Administration. The Plan shall be administered by the Board of Trustees of the Trust (the "Board"), provided that a majority of the members of the Board and a majority of the trustees acting on any Option grant are "disinterested persons." However, the Board, in its sole discretion, may at any time delegate its administrative authority hereunder to a committee of Trustees (the "Committee") who shall be selected by the members of the Board, provided that the Committee shall be composed of three or more trustees and all of the members of the Committee are "disinterested persons." For purposes of this Plan, a trustee shall be deemed to be a "disinterested person" only if such trustee qualifies as a "disinterested person" within the meaning of Securities Exchange Act Rule 16b-3 and the interpretations thereto (excluding the 1991 amendments to such rule). The Board (or the Committee, if applicable) shall have authority, subject to the terms of the Plan, to determine the individuals to whom Options shall be granted, the number of Shares to be covered by each Option, the designation of an Option as an Incentive Stock Option or as a Nonqualified Stock Option, the purchase price of the Shares covered by each Option, the time or times at which Options shall be granted, and the terms and provisions of the instruments by which Options shall be evidenced; to interpret the Plan; and to make all determinations necessary or advisable for the administration of the Plan subject to the requirements of the first sentence of this Section, business shall be transacted by a majority vote of the members of the Board (or the Committee) and a decision or determination reduced to writing and signed by the members of the Board (or the Committee) shall be fully effective as if it had been made by a vote at a meeting duly called and held. No member of the Board (or the Committee) shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under the Plan.

3. Eligibility. Options may be granted for the benefit of employees of the Trust. The fact that an employee is a Trustee of the Trust shall not make him/her ineligible for an Option grant. Granting of any Option to an employee shall neither entitle such employee to, nor disqualify him/her from, participation in any other grant of Options.

4. Shares. The shares as to which Options may be granted shall be shares of beneficial interest of the Trust. When Options are exercised, the Trust may either issue unissued Shares or transfer issued Shares held in its treasury. The total amount of shares which may be granted under the Plan shall not exceed 1,515,241.5 Shares (as adjusted for a 3 for 2 stock split effective May 29, 1992 and subject to further adjustment as provided in Section 7). In the event that any outstanding Option under the Plan for any reason expires or is terminated prior to the end of the period during which Options may be granted, the Shares allocable to the unexercised portion of such Option may again be subject in full or in part to any Option under the Plan.

5. Granting of Options. Options may be granted under the Plan at any time prior to June 25, 2001. The date of grant of an Option under the Plan will be the date on which the Option is awarded by the Board. In granting such Options, the Committee shall bear in mind that the Plan is designed to retain key employees and to reward such key employees for their dedication and loyalty to the Trust. Therefore, it is the Committee's expectation and desire that Shares obtained through the exercise of Options will generally be retained by such key employees during their period of employment with the Trust so that such individuals will enjoy the benefits and the ongoing incentive which is provided through equity ownership in the Trust.

6. Terms and Conditions of Options. Options shall be evidenced by instruments in such form as the Board may from time-to-time approve. Such instruments shall conform to the following terms and conditions:

(a) Option Price. The Option price per Share for Options which are Incentive Stock Options shall not be less than the fair market value of a Share on the day the Option is granted. The Option price for Options which are Nonqualified Stock Options shall not be less than the fair market value of a Share on the day the Option is granted. The "fair market value" of a Share shall be determined as the price equal to the mean of the highest and lowest selling prices for a Share on the stock exchange on which the Shares are traded as of the day the Option is granted. The Option price of any Share as to which an Option is exercised shall, upon delivery of the Shares, be paid in full in cash, by check or by delivery of Shares already owned by the holder of the Option (at the current fair market value of such Shares).

(b) Term of Options. Each Option shall expire no later than the tenth anniversary of the date of its grant.

(c) Exercisability. Each Option may be exercisable on grant or may become exercisable in one or more installments at the time or times provided in the instrument evidencing the Option, as the Board (or the Committee) shall determine.

The holder of an Option shall have none of the rights or privileges of a shareholder with respect to the Shares issuable upon the exercise of the Option until certificates representing such Shares shall have been issued and delivered to him/her upon the exercise of his/her Option.

The Trust shall make delivery of such Shares within a reasonable period of time, provided, however, that if any law, regulation, or agreement requires the Trust to take any action with respect to such Shares before the issuance thereof, then the date of delivery of such Shares shall be extended for the period necessary to take such action.

(d) Termination of Employment. If an Optionee ceases to be employed by the Trust other than by reason of death, termination for cause or retirement on or after attaining age sixty-five (65), any Option or unexercised portion thereof granted to him/her (whether or not otherwise currently exercisable) shall terminate three (3) months after the date of such termination of employment, but in no event later than the date of expiration of the Option. If an Optionee ceases to be employed by the Trust due to termination of his/her employment for cause, the Option or unexercised portion thereof (whether or not otherwise currently exercisable) shall terminate as of the date of such termination of employment. If an Optionee ceases to be employed by the Trust due to retirement on or after attaining age sixty-five (65), the Option shall continue in accordance with its terms and shall expire on its normal date of expiration unless previously exercised. However, any Incentive Stock Option shall cease to be an Incentive Stock Option upon the expiration of three (3) months from the date of the Optionee's retirement and shall thereafter be treated as a Nonqualified Stock Option.

(e) Death. If an Optionee dies, any Option of the deceased Optionee shall continue in accordance with its terms, may be exercised, to the extent of the number of Shares with respect to which he/she could have exercised the Option on the date of his/her death, by his/her estate, personal representative or beneficiary who acquires the Option by will or by the laws of descent and distribution, and shall expire on its normal date of expiration unless previously exercised.

(f) Assignability. No Option shall be assignable or transferable by the Optionee except by will or the laws of descent and distribution, and during the lifetime of the Optionee, each Option shall be exercisable only by the Optionee or the Optionee's guardian or legal representative. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option or any of the rights of the Optionee thereunder (other than by will or the laws of descent and

distribution), such Option shall immediately become null and void and the rights and privileges of the Optionee thereunder shall immediately terminate.

(g) Withholding. The Trust's obligation to deliver Shares upon the exercise of any Option shall be subject to applicable federal, state and local tax withholding requirements.

(h) Limit. Incentive Stock Options shall not be granted to any employee to the extent that the grant of such Options to such employee would otherwise cause the aggregate fair market value (as determined at the time each Incentive Stock Option is granted) of the Shares subject to Incentive Stock Options held by such employee which first become exercisable during a particular calendar year to exceed $100,000; provided that such limitation shall be increased to any greater amount permitted by the Code from time-to-time.

(i) Number of Shares Subject to Each Option and Nature of Each Option. The Committee shall determine in its sole discretion, the number of shares subject to each Option granted to each selected employee. In addition, at the time of the grant of each Option, the Committee shall determine whether such Option is to be designated as an Incentive Stock Option or as a Nonqualified Stock Option.

Instruments evidencing Options may contain such other provisions, not inconsistent with the Plan, as the Board deems advisable. Among those provisions may be a requirement that the Optionee represent to the Trust in writing, when an Option is granted or when he/she purchases Shares on its exercise, that he/she is accepting such Option or purchasing such Shares (unless they are then covered by a registration statement under the Securities Act of 1933), for his/her own account for investment only. All shares which are not registered under the Securities Act of 1933 at the time of the exercise of any Option shall be, at the direction of the Board and upon advice of counsel to the Trust, marked with an appropriate legend restricting their transfer to insure compliance with said Act.

7. Capital Adjustments. The number and price of the Shares covered by each Option and the total number of Shares that may be granted under the Plan shall be proportionately adjusted to reflect, as deemed equitable and appropriate by the Board, any stock dividends, stock split or share combination of the Shares or recapitalization of the Trust. To the extent deemed equitable and appropriate by the Board, subject to any required action by shareholders, in any merger, consolidation, reorganization, liquidation or dissolution, any Option granted under the Plan shall pertain to the securities and other property to which a holder of the number of Shares covered by the Option would have been entitled to receive in connection with such event.

Upon the dissolution or liquidation of the Trust, each Option granted under the Plan shall terminate; but the Optionee shall have the right, immediately prior to such dissolution or liquidation, to exercise his/her Option in full to the extent not theretofore exercised regardless of any provision in the Option contract providing for the deferment of the exercise thereof.

8. Indemnification of Board. In addition to such other rights of indemnification as they may have as members of the Board, the members of the Board shall be indemnified by the Trust against all costs and expenses reasonably incurred by them in connection with any action, suit or proceeding to which they or any of them may be party by reason of any action taken or failure to act under or in connection with the Plan, or any Option granted thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by legal counsel selected by the Trust) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except a judgment based upon a finding of bad faith. Upon the institution of any such action, suit or proceeding a Board member shall notify the Trust in writing, giving the Trust an opportunity, at its own expense, to handle and defend the same before such Board member undertakes to handle it on his/her own behalf.

9. Term and Amendment of Plan. The Plan shall expire on June 25, 2001 (except as to Options outstanding on that date). The Plan may be terminated or amended with the approval of the shareholders of the Trust, or by the Board as provided below.

The Board by majority vote and without shareholder approval may terminate the Plan and at any time and from time-to-time amend the Plan in such respects as it shall deem advisable to conform to any change in the law or for any other purpose, but shall not have the authority to change:

(a) the maximum number of Shares for which Options may be granted under the Plan (except by operation of the adjustment provision of the Plan); or

(b) the periods during which Options may be granted or exercised; or

(c) the provisions so as to materially increase the benefits accruing to participants under the Plan.

The amendment of the Plan shall not, without the written consent of the employee, affect his/her rights under an Option theretofore granted to him/her.

EXHIBIT 10(f)

For 1996, the Company has instituted an Incentive Compensation Plan which will align your and other Senior Management compensation with Shareholder interests through fixed salaries plus cash bonuses and option grants tied to pre-set objective performance goals. The Plan will be reviewed year to year for fairness and objectivity by the Compensation Committee of the Board of Trustees.

Details of the Incentive Compensation Plan are as follows:

1. Your base salary will be fixed at the 1996 level, subject only to merit, cost of living increases and promotions and/or material changes in responsibility.

2. Cash bonuses will be paid only if WRIT's FFO per share grows by at least 5% in the year in question. When this minimum threshold is achieved, a bonus pool will be created as follows:

   A. If the growth in FFO per share is less than 7%, then 8% of the growth in FFO per share will go into the bonus pool, but in no event will this bonus pool exceed an amount which would cause the FFO per share growth, net of the bonus pool, to be less than 5%.

   B. If the growth in FFO per share is greater than 7%, then 8% of the first 7% of the growth in FFO per share, plus 15% of the growth in FFO per share in excess of 7% will go into the bonus pool.

   C. Senior Management and selected middle management will share the bonus pool pro-rata based on their salaries.

3. Senior Management and selected middle management will receive option grants equal to the total of their salary and cash bonus divided by the exercise price i.e., the average of the high and low WRIT stock price on the date of the grant. The first $100,000 of this total salary and cash bonus will result in Qualified Option Grants with the balance being Non Qualified Option Grants. All Options will be subject to the terms of the Writ Qualified and Non Qualified Stock Option Plans which are currently being revised and will be provided to you shortly.

4. Plan Participants must remain in WRIT'S employ through the end of the calendar year to receive their bonus and stock options.

5. Additional subjective bonuses may, at the discretion of the President/CEO, be granted to non-Plan participants for extraordinary performance and these bonuses, if any, will reduce the bonus pool to be shared by Plan participants.

Should you have any questions regarding the Plan, please direct them to me.

EXHIBIT 23(a)

Report of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation by reference in this Form 10-K filed March 6, 1997 of our report dated February 24, 1997.

ARTHUR ANDERSEN LLP

Washington, DC
February 24, 1997

EXHIBIT 23(b)

Report of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation of our report dated February 24, 1997 included in the 1996 10-K, into Washington Real Estate Investment Trust's previously filed Registration Statement on Form S-8, File No. 33-63671.

ARTHUR ANDERSEN LLP

Washington, DC
March 6, 1997

EXHIBIT 23(c)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-63671) of Washington Real Estate Investment Trust of our report dated March 27, 1996 appearing on page 23 of this Form 10-K.

/s/ PRICE WATERHOUSE LLP
PRICE WATERHOUSE LLP

Washington, D.C.
March 7, 1997

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