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, 1998 COMMISSION FILE NO. 1-6622

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

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

6110 EXECUTIVE BOULEVARD, SUITE 800, ROCKVILLE, MARYLAND 20852

(Address of principal executive office) (Zip code)

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

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

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

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

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

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

As of February 9, 1999, 35,709,789 Shares of Beneficial Interest were outstanding and the aggregate market value of such shares held by non-affiliates of the registrant was approximately $613,762,000 (based on the closing price of the stock on February 9, 1999).

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Form 10-K is incorporated by reference from the Trust's 1999 Notice of Annual Meeting and Proxy Statement.

WASHINGTON REAL ESTATE INVESTMENT TRUST

1998 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 and operation of income-producing real properties. The Trust has a fundamental strategy of regional focus, diversification by property type 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 $1.11 for 1998, $1.07 for 1997, $1.03 for 1996, $.99 for 1995, and $.92 for 1994. The indicated annualized dividend rate for 1999, based upon the March 31, 1999 dividend, is $1.12. Gains on sale of real estate of $6.8 million in 1998 were tax deferred. Such gains were used to acquire real estate assets and will not be distributed.

WRIT's geographic focus is based on two principles:

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

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

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

All of WRIT's Trustees, officers and employees live and work in the Greater Washington-Baltimore region and WRIT's officers average over 18 years of experience in this region.

The Greater Washington-Baltimore region is the nation's fourth largest with a population exceeding 7.4 million. Combining the Richmond to Philadelphia areas with the Washington-Baltimore area, the total population is approximately 13.4 million. 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 100% from 1.6 million jobs in 1970 to 3.2 million jobs in 1998, while the percentage of Federal government civilian employment in the region decreased from 28.4% to 11.4%. Since January 1980, seasonally adjusted unemployment in the Washington area has averaged 4.0% with November 1998 unemployment standing at 2.9%.

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 serves as 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 Student Loan Marketing Association (Sallie Mae).

Other major public companies headquartered in the region include Mobil Oil, MCI Worldcom, USAirways, America Online, Marriott International, Lockheed-Martin, and Gannett. The region is the second most popular tourist destination in the world. Most importantly, the Mid-Atlantic region is known as a job center, with solid educational opportunities and easy access to leisure time activities.

While the region has clearly diversified beyond the Federal government town of the past, the Federal government is still the foundation of the region's economy. Despite a 15.0% decrease in direct Federal civilian employment from 1994 through 1998, the region's unemployment rate never exceeded a seasonally adjusted 4.5% and was at 2.9% in November 1998. This is due to both the strength and diversity of this local economy, increased job growth opportunities in the private sector and substantial local increases in Federal procurement (purchases of goods and services).

Though Federal procurement spending has decreased nationally, it has become more concentrated and has increased in the Greater Washington-Baltimore region because Federal contractors have moved closer to their Federal clients to be more competitive. Federal procurement decreased by 7.1% nationally from 1991 to 1997, but increased in the Washington area by 51.7%.

As of December 31, 1998, WRIT owned a diversified portfolio consisting of 12 retail centers, 21 office buildings, eight apartment buildings and 15 industrial distribution/flex properties. WRIT's principal objective is to invest in high quality real estate in prime locations, then proactively manage, lease, and develop ongoing capital improvement programs to improve their economic performance. The percentage of total real estate rental revenue by property group for 1998, 1997, and 1996, and the percent leased as of December 31, 1998 were as follows:

Percent Leased December 31, 1998		Real Estate Rental Revenue 1998	1997	1996
99%	Office buildings	50%	45%	44%
96%	Retail centers	17	20	23
97%	Apartment buildings	20	23	22
92%	Industrial/flex properties	13	12	11
		100%	100%	100%

On a combined basis, WRIT's portfolio was 96% occupied in 1998, 95% occupied in 1997 and 93% occupied in 1996.

Total revenue was $103.6 million for 1998, $79.4 million for 1997, $65.5 million for 1996 and $52.6 million for 1995. From 1995 through 1998, WRIT acquired nine office buildings, two retail centers, three apartment buildings and nine industrial distribution/flex properties for a total of 22 properties. These acquisitions were the primary reason for the shifting of each group's percentage of total revenue reflected above. In 1998, WRIT sold a retail center and two industrial/flex properties. No single tenant accounted for more than 3.96% of revenue in 1998, 3.04% of revenue in 1997, 2.39% in 1996 and 2.05% in 1995. 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 approximately 3.09% of WRIT's 1998 total revenue. The larger non-Federal government tenants include Crestar Bank, District of Columbia Metropolitan Police Department, Electronic Data Systems, Giant Food, OAO Corporation, Pepsi Cola, Sun Microsystems, The American

Red Cross, Wang Laboratories, and Xerox.

As of December 31, 1998, and for the year then ended, the 7900 Westpark office building accounted for 13% of total assets based upon book value and 10% of total revenues. No other single property accounted for more than 10% of total assets or total revenues.

During 1998 and prior, the actual day-to-day property management functions at the properties owned by the Trust were carried out by an independent management company whose only client was WRIT. No WRIT Trustee or officer was a director or owned any interest in the management company. Effective December 31, 1998, WRIT acquired substantially all of the operations of the management company and took over the property management functions of the properties. See further discussion in the notes to WRIT's financial statements.

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

WRIT makes capital improvements on an ongoing basis to its properties for the purpose of maintaining and increasing their values and income. Major improvements and/or renovations to the properties in 1998 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 278 as of February 9, 1999, including 236 persons engaged in property management functions and 42 persons engaged in corporate, financial, leasing, and asset management functions.

ITEM 2. PROPERTIES

The schedule on the following page lists the Trust's real estate investment portfolio as of December 31, 1998. The total number of properties owned was 56 at that date. On February 5, 1999, WRIT sold two office buildings and one industrial distribution/flex property.

As of December 31, 1998, 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 to WRIT's financial statements included in this Form 10-K Annual Report.

<TABLE>

SCHEDULE OF PROPERTIES

Properties	Location	Year Acquired	Year Constructed	Net Rentable* Square Feet	Percent Leased 12/31/98
<S>	<C>	<C>	<C>	<C>	<C>
Office Buildings					
10400 Connecticut Avenue	Kensington, MD	1979	1965	65,000	95%
1901 Pennsylvania Avenue	Washington, D.C.	1977	1960	97,000	100%
51 Monroe Street	Rockville, MD	1979	1975	210,000	99%
444 N. Frederick Avenue**	Gaithersburg, MD	1989	1981	66,000	98%
7700 Leesburg Pike	Falls Church, VA	1990	1976	145,000	98%
Arlington Financial Center**	Arlington, VA	1992	1963	51,000	

100%

515 King Street	Alexandria, VA	1992	1966	78,000	100%
The Lexington Building	Rockville, MD	1993	1970	47,000	100%
The Saratoga Building	Rockville, MD	1993	1977	59,000	97%
Brandywine Center	Rockville, MD	1993	1969	35,000	100%
Tycon Plaza II	Vienna, VA	1994	1981	131,000	100%
Tycon Plaza III	Vienna, VA	1994	1978	152,000	91%
6110 Executive Boulevard	Rockville, MD	1995	1971	199,000	99%
1220 19th Street	Washington, D.C.	1995	1976	104,000	100%
Maryland Trade Center I	Greenbelt, MD	1996	1981	191,000	99%
Maryland Trade Center II	Greenbelt, MD	1996	1984	159,000	99%
1600 Wilson Boulevard	Arlington, VA	1997	1973	167,000	99%
7900 Westpark Drive	McLean, VA	1997	1972/1986	478,000	100%
8230 Boone Blvd.	Vienna, VA	1998	1981	58,000	100%
Woodburn Medical Park I	Annandale, VA	1998	1984	71,000	97%
Woodburn Medical Park II	Annandale, VA	1998	1988	96,000	99%
Subtotal				2,659,000	99%
Retail Centers					
Concord Centre	Springfield, VA	1973	1960	76,000	98%
Bradlee	Alexandria, VA	1984	1955	168,000	91%
Claremont	Salisbury, MD	1976	1965	40,000	88%
Chevy Chase Metro Plaza	Washington, D.C.	1985	1975	51,000	100%
Prince William Plaza	Woodbridge, VA	1968	1967	55,000	72%
Takoma Park	Takoma Park, MD	1963	1962	59,000	100%
Westminster	Westminster, MD	1972	1969	165,000	67%
Wheaton Park	Wheaton, MD	1977	1967	71,000	100%
Montgomery Village Center	Gaithersburg, MD	1992	1969	196,000	100%
Shoppes of Foxchase	Alexandria, VA	1994	1960	128,000	100%
Frederick County Square	Frederick, MD	1995	1973	233,000	99%
800 S. Washington Street	Alexandria, VA	1998	1955/1959	45,000	96%
Subtotal				1,287,000	96%
Apartment Buildings/# units					
Country Club Towers/227	Arlington, VA	1969	1965	276,000	92%
Munson Hill Towers/279	Falls Church, VA	1970	1963	340,000	96%
Park Adams/200	Arlington, VA	1969	1959	210,000	97%
Roosevelt Towers/191	Falls Church, VA	1965	1964	229,000	99%
3801 Connecticut Avenue/307	Washington, D.C.	1963	1951	242,000	100%
The Ashby at McLean/250	McLean, VA	1996	1982	349,000	97%

Walker House Apartments/196	Gaithersburg, MD	1996	1971	148,000	94%
Bethesda Hills Apartments/195	Bethesda, MD	1997	1986	226,000	97%
Subtotal (1,845 units)				2,020,000	97%
Industrial Distribution/Flex Properties					
Pepsi-Cola Distribution Center	Forestville, MD	1987	1971	69,000	100%
Capitol Freeway Center	Washington, D.C.	1974	1940	145,000	100%
Department of Commence**	Springfield, VA	1971	1964	105,000	100%
Fullerton Business Center	Springfield, VA	1985	1980	103,000	91%
V Street Distribution Center	Washington, D.C.	1973	1960	31,000	100%
Charleston Business Center	Rockville, MD	1993	1973	85,000	100%
Tech 100 Industrial Park	Elk Ridge, MD	1995	1990	167,000	100%
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%
Ammendale Technology Park I	Beltsville, MD	1997	1985	167,000	89%
Ammendale Technology Park II	Beltsville, MD	1997	1986	108,000	100%
Pickett Industrial Park	Alexandria, VA	1997	1973	246,000	84%
Northern Virginia Industrial Park	Lorton, VA	1998	1968/1991	790,000	85%
8900 Telegraph Road	Lorton, VA	1998	1985	32,000	87%
Subtotal				2,312,000	92%
TOTAL				8,278,000	

</TABLE>

*Apartment buildings are presented in gross square feet.
**Property was sold subsequent to December 31, 1998.

OFFICE BUILDINGS

Operating income in WRIT's core group of office buildings (excluding 1997 and 1998 acquisitions) increased 11% from 1997 to 1998. This increase was a result of significant occupancy gains and strong rental rate growth throughout the sector. WRIT's office markets continue to tighten and, while there is an increased amount of office development underway in the market, management anticipates that this sector will continue to be strong for WRIT in 1999.

During 1998, WRIT's office building revenues and operating income increased by 43% and 48%, respectively, over 1997. These increases were primarily due to 1997 acquisitions (1600 Wilson Boulevard & 7900 Westpark Drive) and 1998 acquisitions (8230 Boone Boulevard and Woodburn Medical Park I and II) combined with the 11% core group operating income increase described above.

Economic occupancy rates for the core group of office buildings averaged 96% in 1998 compared to 94% in 1997.

Rental rate increases of 5% for the sector were the result of increases at nearly all of the properties. During 1998, WRIT executed new office leases for 676,964 square feet of office space at an average face rent increase of 11% on a non-straight line basis. The current average market rate for 434,229 square feet of office space leases expiring during 1999 exceed the average expiring lease rates by over 17% (market rent is estimated to be over $23.00 per square foot compared to $19.87 per square foot current rent on a non-straight line basis).

Further details about the performance of the office building sector in 1997 and 1998 are provided in Management's Discussion and Analysis commencing on page 12.

INDUSTRIAL/FLEX PROPERTIES

During 1998, WRIT's industrial/flex properties center revenues and operating income increased by 37% and 39%, respectively, over 1997. These increases were primarily due to 1997 acquisitions (Ammendale Technology Park I & II and Pickett Industrial Park) and 1998 acquisitions (Northern Virginia Industrial Park and 8900 Telegraph Road).

Operating income in WRIT's core group of industrial/flex properties (excluding 1997 and 1998 acquisitions) increased 8%. Occupancy rates for the core group of industrial/flex properties averaged 98% in 1998 compared to 96% in 1997 and rental rates increased 4% in 1998.

Further details about the performance of the industrial/flex properties sector in 1997 and 1998 are provided in Management's Discussion and Analysis commencing on page 12.

RETAIL CENTERS

During 1998, WRIT's retail center revenues and operating income increased by 13% and 17% respectively over 1997. These increases were primarily due to the acquisition of 800 South Washington Street retail center in 1998, occupancy gains and rental rate growth throughout the sector, partially offset by increased bad debts.

Economic occupancy rates for the retail center sector averaged 94% in 1998 and 1997. Retail center rental rates increased 6% in 1998 over 1997 as a result of WRIT executing leases for 261,248 square feet of space at an average rental rate increase of over 6%.

Further details about the performance of the retail center sector in 1997 and 1998 are provided in Management's Discussion and Analysis commencing on page 12.

APARTMENT BUILDINGS

During 1998, WRIT's apartment revenues and operating income increased by 17% and 20% respectively over 1997. These increases were primarily due to the 1997 acquisition of Bethesda Hill Apartments.

WRIT's apartment sector continued its five-year run of steady growth in core group operating income (excluding the Bethesda Hill Apartments acquired in 1997) with an increase of 5%. This increase was the result of continued high occupancy levels combined with 4% rental rate increases throughout the group. Economic occupancy rates for the core group of apartments (excluding the Bethesda Hill Apartments acquired in 1997) averaged 96% in 1998 and 1997.

Further details about the performance of the apartment sector in 1997 and 1998 are provided in Management's Discussion and Analysis commencing on page 12.

PROPERTY EXPANSIONS & MAJOR RENOVATIONS

BRADLEE SHOPPING CENTER

This major renovation coincides with the retenanting of the expired GC Murphy lease space and the conversion of the Roy Rogers to a newly completed free standing McDonalds. As of year end 1998, the renovation is nearly complete, the McDonald's is open for business and WRIT has leased 19,511 of the 26,640 former GC Murphy space. This new lease is for an initial rent of $14.50 per square foot, which is approximately six times the GC Murphy rent of $2.42 per square foot. Through December 31, 1998, costs of $1.3 million had been incurred relating to this project. WRIT has commitments of approximately $0.6 million to complete the project.

7900 WESTPARK DRIVE

In 1999, WRIT expects to complete construction of a 49,000 square foot office space addition to its 7900 Westpark Drive office building in McLean, Virginia. This addition commenced in 1998 and is being built over the existing structured parking deck, similar to the Trust's 1996 addition at 7700 Leesburg Pike. This addition is 100% preleased. Through December 31, 1998, cost of $1.6 million had been incurred relating to this project. WRIT has commitments of approximately $4.0 million to complete the project.

PROPERTY DISPOSITIONS

During 1998, WRIT sold three real estate properties: Shirley I-395 Business Center, Ravensworth Center, and Dover Mart retail center. The gains on the sales of these properties were $6.8 million. Net proceeds from the sales of these properties of $10.8 million were used to invest in other real estate properties acquired by WRIT in 1998 and 1999.

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 1998.

PART II

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

Effective January 4, 1999, the Trust's shares are traded on the New York Stock Exchange.

From 1971 through January 3, 1999, the Trust's shares were traded on the American Stock Exchange. 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 1998 and 1997, by quarter, and the amount of dividends paid by the Trust are as follows:

		Quarterly Share Price Range	
Quarter	Dividends Per Share	High	Low
1998			
4	$.28	$18 3/4	$15 9/16
3	.28	18	15 3/8
2	.28	18 1/4	16 11/16
1	.27	17 5/16	15 7/8
1997			
4	$.27	$17 1/4	$15 1/2
3	.27	18 1/2	15 3/4
2	.27	18 5/8	16 1/4
1	.26	19 5/8	16 7/8

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 1999 indicated annual dividend rate is $1.12 based on the annualization of the March 31, 1999 dividend.

ITEM 6. SELECTED FINANCIAL DATA

<TABLE>

(in thousands, except per share data)

<S>	1998 <C>	1997 <C>	1996 <C>	1995 <C>	1994 <C>
Real estate rental revenue	$103,597	$79,429	$65,541	$52,597	$45,511
Income before gain on sale of real estate	34,300	30,136	27,964	26,103	23,122
Gain on sale of real estate	6,764	-	-	-	-

Net income	41,064	30,136	27,964	26,103	23,122
Income per share before gain on sale of real estate	0.96	0.90	0.88	0.88	0.82
Basic and diluted earnings per share	1.15	0.90	0.88	0.88	0.82
Total assets	558,707	468,571	318,488	241,784	178,806
Lines of credit payable	44,000	95,250	5,000	28,000	18,000
Mortgage notes payable	28,912	7,461	7,590	7,706	-
Notes payable	210,000	100,000	100,000	-	-
Shareholders' equity	253,733	252,088	195,623	199,735	154,659
Cash dividends paid	39,614	36,108	32,718	29,712	25,981
Cash dividends paid per share	1.11	1.07	1.03	0.99	0.92

</TABLE>

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

RESULTS OF OPERATIONS

REAL ESTATE RENTAL REVENUE: 1998 VERSUS 1997

Total revenues for 1998 increased $24.2 million, or 30%, to $103.6 million from $79.4 million in 1997. The percentage increase in real estate rental revenue from 1997 to 1998 by property type was as follows:

Office Buildings	43%
Retail Centers	13%
Apartment Buildings	17%
Industrial/Flex Properties	37%

During 1998, WRIT's office building revenues and operating income increased by 43% and 48%, respectively, over 1997. These increases were primarily due to 1998 acquisitions (8230 Boone Boulevard and Woodburn Medical Park I and II) and 1997 acquisitions (1600 Wilson Boulevard and 7900 Westpark Drive) combined with increased rental rates and occupancy for the sector.

During 1998, WRIT's retail center revenues and operating income increased by 13% and 17%, respectively, over 1997. These increases were primarily due to the 1998 acquisition of 800 South Washington Street retail center combined with increased rental rates and increased tenant recovery income.

WRIT's apartment building revenues and operating income increased by 17% and 20%, respectively, in 1998 over 1997. These increases were primarily due to the 1997 acquisition of Bethesda Hill Apartments, combined with increased rental rates across the sector.

WRIT's industrial/flex property revenues and operating income increased by 37% and 39%, respectively, in 1998 over 1997. These increases were primarily due to 1998 acquisitions (Northern Virginia Industrial Park and 8900 Telegraph Road) and 1997 acquisitions (Ammendale Technology Parks I and II and Pickett Industrial Park).

REAL ESTATE RENTAL REVENUE: 1997 VERSUS 1996

Total revenues for 1997 increased $13.9 million, or 21%, to $79.4 million from $65.5 million in 1996. The percentage increase in real estate rental revenue from 1997 to 1996 by property type was as follows:

Office Buildings	25%
Retail Centers	2%
Apartment Buildings	23%
Industrial/Flex Properties	43%

During 1997, WRIT's office building revenues and operating income increased by 25% and 30%, respectively, over 1996. These increases were primarily due to 1997 acquisitions (1600 Wilson Boulevard and 7900 Westpark Drive) and 1996 acquisitions (Maryland Trade Centers I & II) combined with increased occupancy levels and rental rates overall for the sector.

During 1997, WRIT's retail center revenues and operating income increased by 2% and 4%, respectively, over 1996. These increases were primarily due to increased occupancy levels and rental rates overall for the sector, partially offset by increased bad debts.

WRIT's apartment building revenues and operating income increased by 23% and 26%, respectively, in 1997 over 1996. These increases were primarily due to increased rental rates throughout the sector combined with the 1997 acquisition of Bethesda Hill Apartments and the 1996 acquisitions of Walker House Apartments and The Ashby at McLean.

WRIT's industrial/flex property revenues and operating income each increased by 43% in 1997 over 1996. These increases were primarily due to the 1997 acquisitions of Ammendale Technology Parks I & II and the Pickett Industrial Park and the 1996 acquisition of the Alban Business Center and Earhart Business Center.

OPERATING EXPENSES AND OTHER RESULTS OF OPERATIONS

Real estate operating expenses as a percentage of revenue were 30% for 1998 as compared to 32% for 1997 and 33% for 1996. The decrease in 1998 compared to 1997 is attributable to a 42% revenue increase in WRIT's office building segment resulting from 1997 and 1998 property acquisitions and increased occupancy and rental rates, combined with only a 32% increase in the office building segment's operating expenses. The decrease in 1997 compared to 1996 is attributable to a 25% revenue increase in the office building segment of WRIT's portfolio caused by increases in occupancy levels and rental rates in 1997 combined with only an 18% increase in the office building segment's operating expenses. WRIT's percentage of revenue from office buildings within its entire real estate portfolio has increased to 50% at December 31, 1998, from 45% at December 31, 1997 and 44% at December 31, 1996. The increase over 1996 is attributable to 1997 and 1998 office building acquisitions. Generally, real estate operating expenses have increased to $31.1 million in 1998 from $25.5 million in 1997 and $21.9 million in 1996 due to the acquisition of six real estate properties in each of the three years.

Interest expense increased $7.4 million in 1998 from 1997. This is attributable to the issuance of $110 million in medium-term notes in February 1998 and an increase in the average balance of outstanding line of credit advances due to acquisitions in 1998 and 1997. Interest expense of $9.7 million in 1997 increased $4.2 million over 1996 interest expense. This increase is primarily attributable to the issuance of $100 million in debt securities in August 1996. The proceeds of the borrowings were primarily used to purchase real estate assets. Therefore, the $11.6 million increase in interest expense from 1996 to 1998 should be seen in the context of the $28.8 million increase in operating income from 1996 to 1998.

General and administrative expenses were $6.6 million for 1998 as compared to $4.2 million for 1997 and $3.1 million for 1996. The increases in general and administrative expenses in 1998, as compared to 1997 and 1996, are attributable to increased compensation and personnel additions due to the increased portfolio of the Trust.

CAPITAL RESOURCES AND LIQUIDITY

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

As of December 31, 1998, WRIT had line of credit commitments in place from commercial banks for up to $75 million. WRIT acquired six properties for a total acquisition cost of $82.2 million in 1998, and acquired six properties for total acquisition costs of $138.8 million in 1997. The 1998 acquisitions were primarily financed through line of credit advances, from the February 1998 issuance of $110 million of medium-term notes (after repayment of amounts outstanding on line-of-credit borrowings of $95 million), the assumption of mortgages payable amounting to $21.6 million and from the reinvestment of the proceeds of the sale of three properties in 1998 of $10.8 million. The 1997 acquisitions were financed through line of credit advances and the issuance in August 1997 of 3,750,000 shares. The line of credit advances outstanding at December 31, 1997, were subsequently repaid with proceeds from the February 1998 issuance of $110 million of medium-term notes.

On February 20, 1998, WRIT sold $50 million of 7.25% unsecured notes due February 25, 2028 at 98.653% to yield approximately 7.36%. WRIT also sold $60 million of 6.898% unsecured Mandatory Par Put Remarketed Securities ("MOPPRS") at an effective borrowing rate through the remarketing date (February 2008) of approximately 6.74%. WRIT used the proceeds of these notes for general business purposes, including repayment of $95 million of outstanding advances under its lines of credit. WRIT used the remainder of the proceeds to finance acquisitions and capital improvements to its properties. WRIT had four interest rate lock agreements related to this transaction which settled for $5.4 million and treated that settlement and the cost of a related interest rate cap agreement as transaction costs of the borrowing. These costs will be amortized over the life of the unsecured notes using the effective interest rate method.

In August 1997, WRIT received $61.1 million from the public sale of 3,750,000 shares. WRIT's underwriting expenses were approximately $200,000 resulting in net proceeds received by the Trust of $60.9 million. Approximately $23.0 million of the net proceeds was used to repay certain borrowings outstanding under the Trust's lines of credit resulting from 1997 property acquisitions. The balance of the net proceeds was used to acquire income producing properties and for capital improvements.

Cash flow from operating activities totaled $53.6 million, $42.5 million, and $37.6 million for the years ended December 31, 1998, 1997, and 1996, respectively, including net income of $41.1 million (net of $6.8 million gain on property sales), $30.1 million, and $28.0 million, respectively, and depreciation and amortization of $15.4 million, $10.9 million, and $7.8 million, respectively. The increase in cash flows from operating activities for all years is primarily due to the real estate acquisitions and the resultant increase in net income.

Rental revenue has been the principal source of funds to pay WRIT's operating expenses, interest expense, and dividends to shareholders. In 1998, 1997 and 1996, WRIT paid dividends totaling $39.6 million, $36.1 million, and $32.7 million, respectively.

CAPITAL IMPROVEMENTS

Capital improvements of $18.7 million were completed in 1998, including tenant improvements. Capital improvements to WRIT properties in 1997 and 1996 were approximately $13.9 million and $12.0 million, respectively.

Accretive Capital Improvements

Acquisition Related - These are capital improvements to properties acquired during the current and preceding two years, which were planned during our investment underwriting. The cost of these capital improvements was considered as part of the acquisition cost in WRIT's original projected returns on investment. In 1998, the most significant of these improvements were made to the Maryland Trade Center and 7900 Westpark Drive Office Buildings, The Ashby at McLean and Bethesda Hill Apartments and the Pickett and Northern Virginia Industrial Parks.

Expansions/Additions and Major Renovations - Expansions/Additions increase the rentable area of a property. During 1998, WRIT commenced the 49,000 square foot addition at 7900 Westpark Drive. This 100% pre-leased addition is expected to be completed in the third quarter of 1999. Major Renovations are improvements sufficient to increase the income otherwise achievable at a property. During 1998, WRIT commenced the renovation of the Bradlee Shopping Center, which is also expected to be completed in 1999. See Expansions and Major Renovations on Page 8 of this report for descriptions of these 1998 projects.

Tenant Improvements - Tenant Improvements are costs associated with commercial lease transactions such as painting and carpeting. During 1998, WRIT's average Tenant Improvement Costs per square foot of space leased were as follows:

Office	$5.05
Retail	$1.30
Industrial	$1.61

The Retail and Industrial Tenant Improvement costs are substantially lower than Office Improvement costs because the improvements required in these property types are substantially less extensive than in offices. WRIT's office tenant improvement costs are among the lowest in the industry for a number of reasons. Over 75% of our office tenants renew their leases with WRIT, and renewing tenants generally require minimal tenant improvements. However, lower tenant costs is one of the many benefits of our focus on leasing to smaller office tenants. Smaller office suites have limited configuration alternatives.

Therefore, WRIT is often able to lease an existing suite with the only tenant improvements being new paint and carpet.

Other Capital Improvements

Other Capital Improvements are those not included in the above categories. These are also referred to as recurring capital improvements. Over time these costs will be reincurred to maintain a property's income and value. In our residential properties, these include new appliances, flooring, cabinets, bathroom fixtures, and the like. These improvements are made as needed upon vacancy of an apartment and averaged $790 for the 770 apartments turned over in 1998. WRIT also expensed an average of $310 per apartment turnover for items, which do not have a long-term life and are, therefore, not capitalized.

During 1998, WRIT's capital improvement costs were as follows (in thousands):

Accretive capital improvements:	
Acquisition related	$ 4,943
Expansions and major renovations	2,856
Tenant improvements	5,653
Subtotal	13,452
Other	5,200
Total	$18,652

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

YEAR 2000

General

WRIT has assessed and continues to assess the impact of the Year 2000 issue on its reporting systems and operations. The Year 2000 issue exists because many computer systems and applications and other systems using computer chips currently use two-digit fields to designate a year. When the century date occurs, date sensitive systems may recognize the year 2000 as 1900, or it may not recognize the year at all. This inability to recognize or properly treat the year 2000 may cause the systems to process critical financial and operations information incorrectly.

In 1998, WRIT implemented a new financial reporting system. This implementation was not done in response to Year 2000 issues but in order to improve management information systems and reporting processes. The new system is Year 2000 compliant. Management has implemented a project to review the remaining operating systems, including building operations, internal operating systems and third party compliance to determine if there are any Year 2000 issues related to such systems.

Project

WRIT's Year 2000 Project (the "Project") is divided into three major sections - Building Operations, Internal Operating Systems and External Agents (i.e., tenants and third party suppliers). The general phases common to each section are: (1) inventorying Year 2000 items; (2) assigning priorities to identified items; (3) assessing the Year 2000 compliance of items determined to be material to WRIT; (4) repairing or replacing material items that are determined not to be Year 2000 compliant; (5) testing material items; and (6) designing and implementing contingency and business continuation plans for each property location and corporate headquarters.

As of December 31, 1998, the inventory and priority assignment phases of each section of the Project was completed. As described below, WRIT management is in the process of assessing the Year 2000 compliance of items determined to be material. Material items are those that WRIT's management believes have a risk involving the safety of individuals, damage to the environment or property or material financial loss.

The Building Operations section consists of the testing of key systems at the property locations, such as fire detection/prevention, elevators, heating/ventilation and air conditioning, telephone and utility services. The assessment phase is on schedule and WRIT estimates that approximately 75% of the activities relating to this phase were completed as of December 31, 1998. The process of replacing items that are not in compliance and the subsequent testing of these items is ongoing and is expected to be completed by the second quarter of 1999. There have not been any significant repairs or replacements related to this phase of the project. Contingency planning for this section is underway. All Building Operations activities are expected to be completed in the fourth quarter of 1999.

The Internal Operating System section includes the assessment of existing hardware and software and, where applicable, the replacement of hardware/software that is not Year 2000 compliant. The assessment phase is ongoing, and WRIT believes that all of its significant hardware and software is Year 2000 compliant. Contingency planning for this section is expected to be completed by the second quarter of 1999. All Internal Operating Systems activities are expected to be completed by the third quarter of 1999.

The External Agents section includes the process of identifying and prioritizing critical suppliers and customers at the direct interface level and communicating with them about their plans and progress in addressing the Year 2000 problem. Evaluations of critical third parties were initiated in the fourth quarter of 1998. These evaluations will be followed by the development of contingency plans, which are scheduled in the first quarter of 1999, with completion by the second quarter of 1999.

Costs

WRIT has not had any material expenditures related to the Year 2000 project as of December 31, 1998. The total cost associated with required modifications to become Year 2000 compliant is not expected to be material to WRIT's financial position.

Risks

The failure to correct a material Year 2000 problem could result in an interruption in, or failure of, certain normal business activities or operations. Material failures could materially and adversely affect WRIT's results of operations, liquidity and financial condition. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of tenants and third party suppliers, WRIT is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on WRIT's results of operations, liquidity or financial condition. The Year 2000 Project is expected to significantly reduce WRIT's level of uncertainty about the Year 2000 problem and, in particular, about the Year 2000 compliance and readiness of its material External Agents. WRIT's management believes that with the completion of the Project as scheduled, the possibility of significant interruptions should be reduced.

Readers are cautioned that forward-looking statements contained in the Year 2000 update should be read in conjunction with WRIT's disclosures under the heading: "FORWARD-LOOKING STATEMENTS."

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements which involve risks and uncertainties. Such forward-looking statements include (a) WRIT's intention to invest in properties that it believes will continue to increase in income and value; (b) WRIT's belief that the office building sector will continue to lead WRIT's growth in 1999; (c) WRIT's belief that renovations and other changes at 7900 Westpark and the Bradlee Shopping Center will increase traffic and enable it to raise rents; (d) WRIT's belief that external sources of capital will continue to be available and that additional sources of capital will be available from the sale of shares or notes; (e) WRIT's belief that it has the liquidity and capital resources necessary to meet its known obligations and to make additional property acquisitions and capital improvements when appropriate to enhance long-term growth; and (f) other statements preceded by, followed by or that include the words "believes," "expects," "intends," "anticipates," "potential" and other similar expressions.

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

RATIOS OF EARNINGS TO FIXED CHARGES AND DEBT SERVICE COVERAGE

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

	YEAR ENDED DECEMBER 31, 1998	1997	1996
Earnings to fixed charges	2.00x	4.08x	6.11x
Debt service coverage	3.84x	5.08x	7.26x

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

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

The table below presents principal, interest and related weighted average interest rates by year of maturity.
<TABLE>
<CAPTION>

In thousands	Cash Flows 1999	2000	2001	2002	2003	Thereafter	Total	Fair Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
DEBT (all fixed rate except lines of credit)								
Unsecured debt								
Principal	$ -	$ -	$ -	$ -	$50,000	$160,000	$210,000	$203,442
Interest	$14,951	$14,951	$14,951	$14,951	$14,951	$118,312	$193,067	
Average interest rate	7.12%	7.12%	7.12%	7.12%	7.12%	7.22%	7.20%	
Mortgages								
Principal amortization (30 year amor)	$ 553	$ 598	$ 649	$ 703	$ 7,161	$ 19,248	$ 28,912	$ 28,912
Interest	$ 2,298	$ 2,255	$ 2,209	$ 2,158	$ 1,573	$ 2,407	$ 12,900	
Average interest rate	8.05%	8.05%	8.05%	8.05%	7.69%	7.69%	7.13%	
Lines of Credit								
Principal	$44,000						$ 44,000	$ 44,000
Interest	$ 1,246						$ 1,246	
Average interest rate	5.77%						5.77%	

</TABLE>

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

PART III

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

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is hereby incorporated herein by reference to WRIT's 1999 Annual Meeting Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is hereby incorporated herein by reference to WRIT's 1999 Annual Meeting Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is hereby incorporated herein by reference to WRIT's 1999 Annual Meeting Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is hereby incorporated herein by reference to WRIT's 1999 Annual Meeting Proxy Statement.

PART IV

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

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

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

   Report of Arthur Andersen LLP.

   Consolidated Balance Sheets at December 31, 1998 and 1997.

   Consolidated Statements of Income for the years ended December 31, 1998, 1997 and 1996.

   Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 1998, 1997 and 1996.

   Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997 and 1996.

   Notes to Consolidated Financial Statements.

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

Schedule		Page
III	Real Estate and Accumulated Depreciation	41
	Supplementary Information: Quarterly Financial Results (unaudited)	44

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.

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

   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 17, 1998, among Washington Real Estate Investment Trust, as borrower, Crestar Bank, as lender, First Union National Bank (successor by merger to Signet Bank), as lender, and Crestar Bank, as agent. Incorporated herein by reference to the Trust's Form 10-K dated March 31, 1998.

(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.*

(g) Form of MOPPRS Notes.****

(h) Form of 30 year Notes.****

(i) Remarketing Agreement.****

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

10. Management contracts, plans and arrangements

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

(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 Exhibit 10(e) to the 1995 Form 10-K.

(f) Share Grant Plan.***

(g) Share Option Plan for Trustees.***

21. Subsidiaries of Registrant

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

In 1998, WRIT formed a subsidiary limited liability company, WRIT-NVIP, L.L.C., a Virginia limited liability company, in which WRIT owns 93% of the company interests.

In 1998, WRIT formed a subsidiary company, Real Estate Management, Inc., a Maryland Corporation, in which WRIT owns 100% of the company interests.

22. Consents

(a) Consent of Arthur Andersen LLP

27. Financial Data Schedules

(a) 1998 financial data schedule

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

(1) October 15, 1998 - Report pursuant to Item 2 on the acquisition of Northern Virginia Industrial Park and financial statements of the acquired property pursuant to Item 7.

(2) December 15, 1998 - Report pursuant to Item 2 on the acquisition of Woodson Medical Park I and II and financial statements of the acquired properties pursuant to Item 7.

* 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.

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

**** Incorporated herein by reference to the exhibit of the same designation to the Trust's Registration Statement on Form S-3 filed on March 17, 1998.

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST

Date: March 8, 1999

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

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

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

Signature	Title	Date
/s/ Arthur A. Birney Arthur A. Birney	Chairman and Trustee	March 10, 1999
/s/ William N. Cafritz William N. Cafritz	Trustee	March 10, 1999
/s/ John M. Derrick, Jr. John M. Derrick, Jr.	Trustee	March 10, 1999
/s/ John P. McDaniel John P. McDaniel	Trustee	March 10, 1999
/s/ David M. Osnos David M. Osnos	Trustee	March 10, 1999
/s/ Stanley P. Snyder Stanley P. Snyder	Trustee	March 10, 1999
/s/ Larry E. Finger Larry E. Finger	Senior Vice President and Chief Financial Officer	March 10, 1999
/s/ Laura Franklin Laura Franklin	Vice President and Chief Accounting Officer	March 10, 1999

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of
Washington Real Estate Investment Trust:

We have audited the accompanying consolidated balance sheets of Washington Real Estate Investment Trust (the "Trust," a Maryland real estate investment trust) and Subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust and Subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial statement schedule included on pages 41 through 44 of the Form 10-K is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Washington, D.C.
February 9, 1999

<TABLE>

Washington Real Estate Investment Trust and Subsidiaries

Consolidated Balance Sheets
As of December 31, 1998 and 1997
(In thousands)

	1998	1997
ASSETS		
<S>	<C>	<C>
Real estate, at cost	$598,874	$504,315
Accumulated depreciation	(68,301)	(56,015)
Total investment in real estate, net	530,573	448,300
Cash and temporary investments	4,595	7,908
Rents and other receivables, net of allowance for doubtful accounts of $821 and $884, respectively	4,130	4,035
Prepaid expenses and other assets	19,409	8,328
Total assets	$558,707	$468,571

LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and other liabilities	$ 13,524	$ 8,068
Advance rents	2,680	2,615
Tenant security deposits	4,331	3,089
Mortgage notes payable	28,912	7,461
Lines of credit payable	44,000	95,250
Notes payable	210,000	100,000
Total liabilities	303,447	216,483
MINORITY INTEREST	1,527	-
SHAREHOLDERS' EQUITY		
Shares of beneficial interest, $.01 par value; 100,000 shares authorized: 35,692 and 35,678 shares issued and outstanding, respectively	357	357
Additional paid in capital	253,376	251,731
Total shareholders' equity	253,733	252,088
Total liabilities and shareholders' equity	$558,707	$468,571

</TABLE>

The accompanying notes are an integral part of these statements.

<TABLE>

Washington Real Estate Investment Trust and Subsidiaries

Consolidated Statements of Income
For the Years Ended December 31, 1998, 1997 and 1996
(In thousands, except per share data)

<S>	1998 <C>	1997 <C>	1996 <C>
Real estate rental revenue	$103,597	$79,429	$65,541
Real estate expenses:			
Utilities	7,012	5,897	5,194
Real estate taxes	7,372	5,746	4,782
Repairs and maintenance	4,296	3,576	3,190
Other expenses	12,434	10,240	8,766
Total real estate expenses	31,114	25,459	21,932
Operating income	72,483	53,970	43,609
Depreciation and amortization	15,399	10,911	7,784
Income from real estate	57,084	43,059	35,825
Other income	880	1,011	708
Interest expense	(17,106)	(9,691)	(5,474)
General and administrative expenses	(6,558)	(4,243)	(3,095)
Income before gain on sale of real estate	34,300	30,136	27,964
Gain on sale of real estate	6,764	-	-
Net income	$41,064	$30,136	$27,964
Basic and diluted earnings per share	$ 1.15	$ 0.90	$ 0.88

</TABLE>

The accompanying notes are an integral part of these statements.

<TABLE>

Washington Real Estate Investment Trust and Subsidiaries

Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 1998, 1997 and 1996
(In thousands)

	Shares	Shares of Beneficial Interest at Par Value	Additional Paid in Capital	Shareholders' Equity
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)	-
Share options exercised	51	-	642	642
Balance, December 31, 1996	31,803	318	195,305	195,623
Net income	-	-	30,136	30,136
Net proceeds from sale of shares	3,750	38	60,825	60,863
Dividends	-	-	(36,108)	(36,108)
Share options exercised	125	1	1,573	1,574
Balance, December 31, 1997	35,678	357	251,731	252,088
Net income	-	-	41,064	41,064
Dividends	-	-	(39,614)	(39,614)
Share options exercised	14	-	195	195
Balance, December 31, 1998	35,692	$357	$253,376	$253,733

</TABLE>

The accompanying notes are an integral part of these statements.

<TABLE>

Washington Real Estate Investment Trust and Subsidiaries

Consolidated Statements of Cash Flows
For the Years Ended December 31, 1998, 1997 and 1996
(In thousands)

	1998	1997	1996
Cash flows from operating activities			
Net income	$41,064	$ 30,136	$27,964
Adjustments to reconcile net income to cash provided by operating activities:			
Gain on sale of real estate	(6,764)	-	-
Depreciation and amortization	15,399	10,911	7,784
Increases in other assets	(2,895)	(2,047)	(2,120)
Increases in other liabilities	6,789	3,499	3,932
Cash provided by operating activities	53,593	42,499	37,560
Cash flows from investing activities			
Real estate acquisitions, net*	(59,087)	(138,804)	(69,888)
Improvements to real estate	(18,652)	(13,913)	(11,972)
Non-real estate capital improvements	(1,967)	-	-
Net proceeds from sale of real estate	10,844	-	-
Cash used in investing activities	(68,862)	(152,717)	(81,860)
Cash flows from financing activities			
Dividends paid	(39,614)	(36,108)	(32,718)
Line of credit advances	44,000	113,250	44,000
Repayments of lines of credit	(95,250)	(23,000)	(67,000)
Mortgage principal payments	(172)	(129)	(117)
Net proceeds from sale of shares	-	60,863	-
Net proceeds from debt offering	102,797	-	97,637
Net proceeds from the exercise of share options	195	1,574	642
Cash provided by financing activities	11,956	116,450	42,444

Net (decrease) increase in cash and temporary investment	(3,313)	6,232	(1,856)
Cash and temporary investments, beginning of year	7,908	1,676	3,532
Cash and temporary investments, end of year	$ 4,595	$ 7,908	$ 1,676
Supplemental disclosure of cash flow information:			
Cash paid for interest	$13,475	$ 9,433	$ 2,747

Supplemental schedule of non-cash investing and financing activities

On November 30, 1998, WRIT purchased Woodburn Medical Park I and II for an acquisition cost of $35.2 million. WRIT assumed two mortgages in the amount of $9.2 million and $12.4 million and paid the balance in cash. The $21.6 million in assumed mortgages is not included in the $59.1 million amount shown as real estate acquisitions.
</TABLE>

The accompanying notes are an integral part of these statements.

Washington Real Estate Investment Trust and Subsidiaries

Notes to Consolidated Financial Statements
For the Years Ended December 31, 1998, 1997 and 1996

1. 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 and operation of income-producing real properties.

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 percent of its taxable income to its shareholders each year, and which meets certain other conditions, will not be taxed on that portion of its taxable income which is distributed to its shareholders. 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.

2. Accounting Policies:

Basis of Presentation

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

Revenue Recognition

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

Revenues from percentage of sales provisions in WRIT's leases are accounted for in accordance with EIFF 98-9, "Accounting for Contingent Rent."

Deferred Financing Costs

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

Real Estate and Depreciation

Real estate assets are recorded at cost. 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 expensed as incurred.

WRIT evaluates quarterly the carrying value of its long-lived assets in accordance with 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." In cases where management is holding for sale particular properties, the Trust assesses impairment based on whether the fair value (estimated sales price less costs of disposal) of each individual property to be sold is less than the net book value. A property is considered to be held for sale when the Trust has made the decision to dispose of the property. Otherwise, the Trust assesses impairment of its real estate properties based on whether it is probable that undiscounted future cash flows from each individual property will be less than its net book value. If a property is impaired, its basis is adjusted to its fair market value. There were no property impairments recognized during the three-year period ending December 31, 1998.

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.

Interest Rate Protection Agreements

WRIT has entered into a series of interest rate protection agreements to reduce its exposure to interest rate risk on anticipated borrowings. The costs (if any) of such agreements which qualify for hedge accounting are included in other assets and are amortized over the interest rate protection agreement term. To qualify for hedge accounting, the interest rate protection agreement must meet two criteria: (i) the debt to be hedged exposes WRIT to interest rate risk and (ii) the interest rate protection agreement reduces WRIT's exposure to interest rate risk. In the event that interest rate protection agreements that qualify for hedge accounting are terminated or are closed out, the associated gain or loss is deferred and amortized over the term of the underlying hedged asset or liability. Amounts to be paid or received under interest rate protection agreements are accrued currently and are netted with interest expense for financial statement presentation purposes. Additionally, in the event that interest rate protection agreements do not qualify as hedges, such agreements are reclassified to investments accounted for at fair value, with any gain or loss included as a component of income.

Comprehensive Income

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

Earnings Per Common Share

During 1997, WRIT adopted SFAS No. 128, "Earnings per Share." This statement requires the computation and reporting of both "basic" and "diluted" earnings per share.

"Basic earnings per share" is computed as net income divided by the weighted-average common shares outstanding. "Diluted earnings per share" is computed as net income divided by the total weighted average common shares outstanding plus the effect of dilutive common equivalent shares outstanding for the period. Dilutive common equivalent shares reflect the assumed issuance of additional common shares pursuant to certain of the Trust's share based compensation plans (see Note 8) that could potentially reduce or "dilute" earnings per share, based on the treasury stock method.

The weighted-average number of shares outstanding for the year ended December 31, 1998, 1997, and 1996, was 35.7, 33.4, and 31.8 million shares, respectively. There was no impact of dilution of common equivalent shares on the basic weighted-average shares outstanding for the years ended December 31, 1998, 1997 and 1996.

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.

New Statements of Financial Accounting Standards

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction, or (c) a hedge of the foreign currency exposure to a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security, or a foreign-currency-denominated forecasted transaction. This statement is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. Although currently WRIT has no derivative instruments this statement would apply to, it could affect derivative instruments acquired by WRIT in future periods.

Reclassifications

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

3. Real Estate Investments:

WRIT's real estate investment portfolio, at cost, consists of properties located in Maryland, Washington, D.C., and Virginia and in 1997, Delaware as follows:

	December 31, 1998	December 31, 1997
	(In thousands)	
Office buildings	$323,152	$268,977
Retail centers	95,017	87,618
Apartment buildings	83,163	80,173
Industrial distribution/flex properties	97,542	67,547
	$598,874	$504,315

WRIT's results of operations are dependent on the overall economic health of its tenants and the specific segments in which WRIT holds properties, as well as the overall economic health of the markets in which it owns property. These segments include commercial, residential, retail, and industrial/flex properties. Although all sectors are affected by external factors, such as inflation, consumer confidence, unemployment rates, and consumer tastes and preferences, the retail segment is particularly sensitive to such factors. A decline in the retail sector of the economy could reduce merchant sales, which could adversely affect the operating results of WRIT.

As of December 31, 1998, 7900 Westpark office building accounted for 13 percent of total assets and 10 percent of total revenues. No other single property accounted for more than 10 percent of total assets or total revenues.

Properties acquired by WRIT during the year ending December 31, 1998 are as follows:
<TABLE>

Acquisition Date	Property	Type	Rentable Square Feet	Acquisition Cost (In thousands)
May 22, 1998	Northern Virginia Industrial Park	Industrial	790,000	$30,350
June 23, 1998	800 South Washington St.	Retail	45,000	6,100
September 11, 1998	8900 Telegraph Road	Industrial	32,000	1,810
September 30, 1998	8230 Boone Boulevard	Office	58,000	8,100
November 30, 1998	Woodburn Medical Park I and II	Office	167,000	35,200
			1,092,000	$81,560

</TABLE>

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

Properties sold by WRIT during the year ending December 31, 1998, are as follows:

Disposition Rentable Sales Price

Date	Property	Type	Square Feet	(In Thousands)
<S> <C> <C>	<C>		<C>	<C>
March 23, 1998	Shirley I-395 Business Center	Industrial	113,000	$ 7,815
May 7, 1998	Ravensworth Center	Industrial	29,000	1,650
December 17, 1998	Dover Mart	Retail	44,000	1,975
			186,000	$11,440

</TABLE>

4. Mortgage Notes Payable:

On August 22, 1995, WRIT assumed a $7.8 million mortgage note payable as partial consideration for its acquisition of Frederick County Square retail center. The mortgage bears interest at 9 percent. Principal and interest are payable monthly until January 1, 2003, at which time all unpaid principal and interest are payable in full. On November 30, 1998, WRIT assumed a $9.2 million mortgage note payable and a $12.4 million mortgage note payable as partial consideration for its acquisition of Woodburn Medical Park I and II. Both mortgages bear interest at 7.69 percent per annum. Principal and interest are payable monthly until September 15, 2005, at which time all unpaid principal and interest are payable in full. Annual maturities of principal as of December 31, 1998, are as follows:

	(In thousands)
1999	$ 553
2000	598
2001	649
2002	703
2003	7,161
Thereafter	19,248
	$28,912

5. Unsecured Lines of Credit Payable:

During 1998, WRIT maintained two unsecured lines of credit: a $25 million line of credit ("Credit Facility No. 1") and a $50 million line of credit ("Credit Facility No. 2").

Credit Facility No. 1

WRIT had $0 and $25 million outstanding as of December 31, 1998 and 1997, respectively, related to Credit Facility No. 1.

<TABLE>

The following advances have been made under this commitment:

Advance Date	Date Paid in Full	Amount (In thousands)	1998 Rate	1997 Rate	1996 Rate
<S> <C> <C>	<C> <C>	<C>			<C>
May 15, 1995	August 19, 1996	$ 7,000	-	-	5.99%
November 2, 1995	September 28, 1996	18,000	-	-	6.11%-5.74%
September 26, 1996	September 26, 1997	4,000	-	6.83%	6.83%
November 14, 1997	February 25, 1998	25,000	6.64%-8.50%	6.40%-6.64%	-

</TABLE>

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 public debt rating. 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. On January 31, 1999, WRIT executed an extension of this agreement to change the termination date to March 17, 1999, at which time WRIT intends to either further extend the agreement or pursue other refinancing arrangements.

This $25 million credit commitment requires WRIT to pay the lender an unused commitment fee at the rate of 0.15 percent per annum in the first year, 0.20 percent per annum through August 1996, and 0.175 percent thereafter, on the amount that the $25 million commitment exceeds the balance of outstanding advances and term loans. At December 31, 1998 and 1997, $25.0 million and $0, respectively, of this commitment was unused and available for subsequent acquisitions or capital improvements. This fee is paid quarterly. This commitment also contains certain financial and non-financial covenants including debt service coverage, net worth, and permitted indebtedness ratios which WRIT has met as of December 31, 1998. In addition, this commitment requires approval to be obtained from the lender for purchases by the Trust over an agreed upon amount.

Credit Facility No. 2

WRIT had $44 million and $50 million outstanding as of December 31, 1998 and 1997, respectively, related to Credit Facility No. 2.

The following advances have been made under this commitment:

Advance Date	Date Paid in Full	Amount (In Thousands)	1998 Rate	1997 Rate	1996 Rate
December 21, 1995	August 13, 1996	$ 3,000	-	-	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	August 1, 1997	1,000	-	6.29%	6.05%
February 28, 1997	August 1, 1997	14,000	-	6.25%	-
March 27, 1997	August 1, 1997	3,000	-	6.25%	-
June 27, 1997	August 1, 1997	1,000	-	6.19%	-
November 12, 1997	February 25, 1998	17,000	6.64%	6.36%-6.64%	-
November 14, 1997	February 25, 1998	33,000	6.61%	6.40%-6.61%	-
May 22, 1998	-	13,000	5.54%-6.39%	-	-
June 23, 1998	-	4,000	6.02%-6.39%	-	-
September 9, 1998	-	2,000	6.23%	-	-
September 25, 1998	-	3,000	5.76%	-	-
September 28, 1998	-	8,000	5.83%	-	-
November 30, 1998	-	14,000	5.82%	-	-

All unpaid interest and principal are due July 1999 and can be prepaid prior to this date without any prepayment fee or yield maintenance obligation. WRIT has the option to extend this agreement until July 2000. Any new advances shall bear interest at LIBOR plus a spread based on WRIT's public debt rating.

Credit Facility No. 2 provides WRIT the option to convert any advances or portions thereof into a term loan at any time after January 1999, and prior to July 1999, or July 2000, if extended. The principal amount of each term loan, if any, shall be repaid in July 2011. Such term loan(s) may be prepaid subject to a prepayment fee.

This $50 million credit commitment requires WRIT to pay the lender an unused commitment fee at the rate of 0.175 percent per annum on the amount that the $50 million commitment exceeds the balance of outstanding advances and term loans. At December 31, 1998 and 1997, $6 million and $0, respectively, of this commitment was unused. This fee is paid quarterly in arrears. This commitment also contains certain financial covenants including cash flow to debt service, net worth, capitalization and permitted indebtedness ratios which WRIT has met as of December 31, 1998.

Bridge Loan

During 1997, WRIT temporarily expanded one of its lines of credit to provide up to an additional $20.25 million through February 27, 1998, which was repaid on February 27, 1998. The bridge loan accrued interest at LIBOR plus 0.70 percent. At February 27, 1998 and December 31, 1997, the interest rate was 8.50 percent and 6.64 percent, respectively. WRIT was required to pay a commitment fee equal to 0.10 percent of the commitment. The bridge loan also required WRIT to pay the lender an unused commitment fee at the rate of 0.175 percent on the amount that the $20.25 million commitment exceeded the balance of outstanding advances. The bridge loan was repaid on February 27, 1998.

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

	1998	1997
Maximum Amount Outstanding	$95,250	$95,250
Average Amount Outstanding	29,547	23,000
Weighted Average Interest Rate	6.38%	6.51%

6. Senior and Medium Term Notes Payable:

Senior Notes

On August 8, 1996, WRIT entered into an underwriting agreement to sell $50 million of 7.125 percent 7-year unsecured notes due August 13, 2003, and $50 million of 7.25 percent unsecured 10-year notes due August 13, 2006. This transaction closed on August 13, 1996. The 7-year notes were sold at 99.107 percent of par and the 10-year notes were sold at 98.166 percent of par. Net proceeds to the Trust after deducting underwriting expenses were $97.6 million. The 7-year notes bear an effective interest rate of 7.46 percent, and the 10-year notes bear an effective interest rate of 7.49 percent, for a combined effective interest rate of 7.47 percent. In 1996, 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 covenants including debt service coverage and permitted indebtedness ratios which WRIT has met as of December 31, 1998.

Medium Term Notes

On February 20, 1998, WRIT sold $50 million of 7.25 percent unsecured notes due February 25, 2028 at 98.653 percent to yield approximately 7.36 percent. WRIT also sold $60 million in unsecured Mandatory Par Put Remarketed Securities ("MOPPRS") at an effective borrowing rate through the remarketing date (February 2008) of approximately 6.74 percent. WRIT used the proceeds of these notes for general business purposes, including repayment of outstanding advances under its lines of credit and to finance acquisitions and capital improvements to its properties. WRIT settled interest rate lock agreements for $5.4 million and treated the cost of the interest rate caps as a transaction cost of the borrowing. These costs are amortized over the life of the unsecured notes using the effective interest rate method. These notes also contain certain financial covenants including debt service coverage and permitted indebtedness ratios, which WRIT has met as of December 31, 1998.

7. Shares of Beneficial Interest and Dividends:

In August 1997, WRIT received $61.1 million from the public sale of 3,750,000 shares. WRIT's offering costs were approximately $200,000, resulting in net proceeds received by the Trust of $60.9 million. Approximately $23.0 million of the net proceeds was used to repay certain borrowings outstanding under the Trust's lines of credit resulting from 1997 property acquisitions. The balance of the net proceeds was used to acquire income producing properties and for capital improvements.

The following is a breakdown of the taxable percentage of WRIT's dividends for 1998, 1997, and 1996, respectively:

	Ordinary Income	Return of Capital
1998	98%	2%
1997	93%	7%
1996	91%	9%

<TABLE>

8. Share Options and Grants:

WRIT maintains an Incentive Stock Option Plan (the "Plan"), which includes qualified and non-qualified options. As of December 31, 1998, 1.5 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:

	1998		1997		1996	
	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at January 1	409,000	$15.93	365,000	$14.78	320,000	$14.00
Granted	430,000	17.59	183,000	16.13	96,000	16.15
Exercised	(8,000)	12.41	(125,000)	12.58	(51,000)	12.54
Expired	(25,000)	16.76	(14,000)	18.33	-	-
Outstanding at December 31	806,000	16.83	409,000	15.93	365,000	14.78
Exercisable at December 31	288,000	15.90	173,000	15.84	216,000	14.45

</TABLE>

The 288,000 exercisable options outstanding at December 31, 1998, have exercise prices between $12.410 and $20.625, with a weighted-average exercise price of $15.90 and a weighted average remaining contractual life of 7.24 years. The remaining 518,000 options have exercise prices between $16.13 and $17.59, with a weighted average exercise price of $17.34 and a remaining contractual life of 9.83 years.

WRIT accounts for the Plan and the non-qualified share options granted 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:

		1998	1997	1996
Net Income:	As Reported	$41,064	$30,136	$27,964
	Pro Forma	40,240	29,780	27,815
Basic Earnings Per Share:	As Reported	1.15	0.90	0.88
	Pro Forma	1.13	0.89	0.88
Weighted-average fair value of options granted		1.92	1.94	1.63
Weighted-average assumptions:				
Expected lives (years)		7	7	7
Risk free interest rate		5.09%	5.75%	6.34%
Expected volatility		19.21%	17.41%	15.39%
Expected dividend yield		6.27%	5.79%	6.42%

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. The assumptions used in the calculations of weighted average fair value of

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

WRIT has computed basic earnings per share. There was no impact of dilution of common equivalent shares on the basic weighted-average shares outstanding for the years ended December 31, 1998, 1997, and 1996.

During 1998 and 1997, WRIT issued 9,692 and 5,877 share grants, respectively, to executives and trustees of the Trust. The respective compensation expense was recorded based upon the share price at the grant date. Share grants are awarded by the compensation committee of the Board of Directors.

9. Benefit Plans:

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

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

WRIT maintained a noncontributory defined benefit pension plan for all eligible employees through December 31, 1995. At December 31, 1995, all benefit accruals under the plan were frozen and thus the projected benefit obligation ("PBO") and the accumulated benefit obligation ("ABO") became equal. WRIT 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. Benefits under the plan 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 include service costs for benefits earned during the period and interest costs on the projected benefit obligation less the return on plan assets. The effects of the pension plan is immaterial to WRIT's financial statements.

10. 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 notes payable and lines of credit payable approximates their fair values. The fair value of the 7.125 percent and 7.25 percent senior notes is $50.5 million and $50.4 million, respectively. The fair value of the $50 million and $60 million medium term notes is $45.0 million and $57.0 million, respectively.

11. Rentals Under Operating Leases:

Noncancellable commercial operating leases provide for minimum rental income during each of the next five years of approximately $74.4, $59.2, $47.3, $30.2, $21.0 and $42.6 million thereafter. Apartment leases are not included as they are generally for one year. Most of these commercial leases increase in future years based on changes in the Consumer Price Index or agreed-upon percentages. Contingent rentals from the shopping centers, based on a percentage of tenants' gross sales, were $462,000, $351,000, and $483,000 in 1998, 1997 and 1996, respectively.

12. Contingencies:

In the normal course of business, WRIT is involved in various types of pending or unasserted claims. In the opinion of management, these claims will not have a material impact on the financial condition or future operations of the Trust.

13. Segment Information:

WRIT has four reportable segments: Office Buildings, Industrial/Flex Properties, Apartment Buildings, and Retail Centers. Office Buildings represent 50 percent of real estate rental revenue and provide office space for various types of businesses. Industrial/Flex Properties represent the remaining 13 percent of real estate rental revenue and are used for warehousing and distribution. Apartment Buildings represent 20 percent of real estate rental revenue and provide housing for families throughout the Washington Metropolitan area. Retail Centers represent 17 percent of real estate rental revenue and are retail outlets for a variety of stores.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. WRIT evaluates performance based upon operating income from the combined properties in each segment.

WRIT's reportable segments are a consolidation of related properties which offer different products. They are managed separately because each segment requires different operating, pricing and leasing strategies. All of the properties have been acquired separately and are incorporated into the applicable segment.

<TABLE>

1998
(In Thousands)

<S>	Office Buildings <C>	Industrial/ Flex Properties <C>	Apartment Buildings <C>	Retail Centers <C>	Corporate and Other <C>	Consolidated <C>
Real estate rental revenue	$51,311	$13,547	$21,170	$17,569	$ -	$103,597
Real estate expenses	16,610	2,703	8,096	3,705	-	31,114
Operating income	34,701	10,844	13,074	13,864	-	72,483
Depreciation and amortization	8,447	2,330	2,581	2,041	-	15,399
Income from real estate	26,254	8,514	10,493	11,823	-	57,084
Other income	-	-	-	-	880	880
Interest expense	(69)	-	-	(665)	(16,372)	(17,106)
General and administrative	-	-	-	-	(6,558)	(6,558)
Income before gain on sale of real estate	26,185	8,514	10,493	11,158	(22,050)	34,300
Gain on sale of real estate	-	-	-	-	6,764	6,764
Net income	$26,185	$8,514	$10,493	$11,158	$(15,286)	$41,064
Capital investments	$ 54,389	$34,706	$3,012	$8,755	$1,967	$102,829
Total assets	$300,043	$90,077	$65,679	$84,198	$18,710	$558,707

1997
(In Thousands)

	Office Buildings	Industrial/ Flex Properties	Apartment Buildings	Retail Centers	Corporate and Other	Consolidated

---

Real estate rental revenue	$35,972	$9,877	$18,040	$15,540	$ -	$79,429
Real estate expenses	12,579	2,051	7,145	3,684	-	25,459
Operating income	23,393	7,826	10,895	11,856	-	53,970
Depreciation and amortization	5,404	1,585	2,091	1,831	-	10,911
Income from real estate	17,989	6,241	8,804	10,025	-	43,059
Other income	-	-	-	-	1,011	1,011
Interest expense	-	-	-	(677)	(9,014)	(9,691)
General and administrative	-	-	-	-	(4,243)	(4,243)
Net income	$17,989	$6,241	$8,804	$9,348	$(12,246)	$30,136
Capital investments	$106,264	$22,919	$19,885	$3,649	$ -	$152,717
Total assets	$253,233	$60,290	$65,087	$77,233	$ 12,728	$468,571

</TABLE>

14. Subsequent Events:

Subsequent to December 31, 1998, WRIT closed transactions to sell and purchase real estate assets. On January 28, 1999, WRIT acquired Dulles South IV for $6.84 million. The property consists of two flex/warehouse buildings containing 83,000 rentable square feet. The property is 100 percent leased.

On February 8, 1999, WRIT closed on the sale of two office buildings, 444 N. Frederick Road and Arlington Financial Center and one industrial distribution facility, Department of Commerce. On February 26, 1999, WRIT sold the V Street Distribution Center. WRIT sold these properties for $23.1 million resulting in a gain of $7.9 million. WRIT intends to use the proceeds to purchase other real estate assets.

<TABLE>

Schedule III

Washington Real Estate Investment Trust and Subsidiaries

Summary of Real Estate Investments and Accumulated Depreciation

Properties	Location	Initial Cost (b) Land	Initial Cost (b) Building and Improvements	Net Improvements (Retirements) since Acquisition
<S>	<C>	<C>	<C>	<C>
Office Buildings				
10400 Connecticut Avenue	Maryland	$ 222,000	$1,691,000	$3,473,000
1901 Pennsylvania Avenue	Washington, D.C.	892,000	3,481,000	5,839,000
51 Monroe Street	Maryland	840,000	10,869,000	9,115,000
444 North Frederick Avenue (g)	Maryland	813,000	3,818,000	1,823,000
7700 Leesburg Pike	Virginia	3,669,000	4,000,000	5,845,000
Arlington Financial Center (g)	Virginia	3,000,000	3,293,000	1,188,000
515 King Street	Virginia	4,102,000	3,931,000	1,116,000
The Lexington Building	Maryland	1,180,000	1,263,000	610,000
The Saratoga Building	Maryland	1,464,000	1,554,000	812,000
Brandywine Center	Maryland	718,000	735,000	435,000
Tycon Plaza II	Virginia	3,262,000	7,243,000	1,973,000
Tycon Plaza III	Virginia	3,255,000	7,794,000	1,611,000
6110 Executive Boulevard	Maryland	4,621,000	11,895,000	2,570,000
1220 19th Street	Washington, D.C.	7,802,000	11,366,000	539,000
Maryland Trade Center I	Maryland	3,330,000	12,747,000	2,234,000
Maryland Trade Center II	Maryland	2,826,000	9,487,000	620,000
1600 Wilson Boulevard	Virginia	6,661,000	16,740,000	591,000
7900 Westpark Drive	Virginia	12,049,000	64,212,000	2,419,000

8230 Boone Boulevard	Virginia	1,417,000	6,760,000	-
Woodburn Medical Park I	Virginia	2,563,000	12,530,000	-
Woodburn Medical Park II	Virginia	2,632,000	17,612,000	-
		67,318,000	213,021,000	42,813,000
Retail Centers				
Concord Centre	Virginia	413,000	850,000	2,872,000
Bradlee	Virginia	4,152,000	5,428,000	5,341,000
Clairmont	Maryland	155,000	892,000	1,004,000
Chevy Chase Metro Plaza	Washington, D.C.	1,549,000	4,304,000	3,011,000
Prince William Plaza	Virginia	171,000	820,000	988,000
Takoma Park	Maryland	415,000	1,085,000	16,000
Westminster	Maryland	553,000	1,889,000	1,801,000
Wheaton Park	Maryland	623,000	857,000	3,402,000
Montgomery Village Center	Maryland	11,624,000	9,105,000	900,000
Shoppes of Foxchase	Virginia	5,838,000	2,980,000	1,114,000
Frederick County Square (e)	Maryland	6,561,000	6,830,000	1,304,000
South Washington St.	Virginia	2,624,000	3,546,000	-
		34,678,000	38,586,000	21,753,000

Properties	Location	Gross Amounts at which carried at December 31, 1998: Land	Buildings and Improvements	Total (d)	Accumulated Depreciation at December 31, 1998	Date of Construction
Office Buildings						
10400 Connecticut Avenue	Maryland	$ 222,000	$5,164,000	$5,386,000	$1,752,000	1965
1901 Pennsylvania Avenue	Washington, D.C.	892,000	9,320,000	10,212,000	3,833,000	1960
51 Monroe Street	Maryland	840,000	19,984,000	20,824,000	7,172,000	1975
444 North Frederick Avenue (g)	Maryland	813,000	5,641,000	6,454,000	950,000	1981
7700 Leesburg Pike	Virginia	3,669,000	9,845,000	13,514,000	1,161,000	1976
Arlington Financial Center (g)	Virginia	3,000,000	4,481,000	7,481,000	463,000	1963
515 King Street	Virginia	4,102,000	5,047,000	9,149,000	649,000	1966
The Lexington Building	Maryland	1,180,000	1,873,000	3,053,000	173,000	1970
The Saratoga Building	Maryland	1,464,000	2,366,000	3,830,000	321,000	1977
Brandywine Center	Maryland	718,000	1,170,000	1,888,000	106,000	1969
Tycon Plaza II	Virginia	3,262,000	9,216,000	12,478,000	964,000	1981
Tycon Plaza III	Virginia	3,255,000	9,405,000	12,660,000	932,000	1978
6110 Executive Boulevard	Maryland	4,621,000	14,465,000	19,086,000	1,826,000	1971
1220 19th Street	Washington, D.C.	7,802,000	11,905,000	19,707,000	1,283,000	1976
Maryland Trade Center I	Maryland	3,330,000	14,981,000	18,311,000	1,329,000	1981
Maryland Trade Center II	Maryland	2,826,000	10,107,000	12,933,000	916,000	1984
1600 Wilson Boulevard	Virginia	6,661,000	17,331,000	23,992,000	704,000	1973
7900 Westpark Drive	Virginia	12,049,000	66,631,000	78,680,000	2,430,000	1972/1986
8230 Boone Boulevard	Virginia	1,417,000	6,760,000	8,177,000	66,000	1981
Woodburn Medical Park I	Virginia	2,563,000	12,530,000	15,093,000	52,000	1984
Woodburn Medical Park II	Virginia	2,632,000	17,612,000	20,244,000	73,000	1988
		67,318,000	255,834,000	323,152,000	27,155,000	
Retail Centers						

Concord Centre	Virginia	413,000	3,722,000	4,135,000	1,240,000	1960
Bradlee	Virginia	4,152,000	10,769,000	14,921,000	3,466,000	1955
Clairmont	Maryland	155,000	1,896,000	2,051,000	834,000	1965
Chevy Chase Metro Plaza	Washington, D.C.	1,549,000	7,315,000	8,864,000	1,698,000	1975
Prince William Plaza	Virginia	171,000	1,808,000	1,979,000	964,000	1967
Takoma Park	Maryland	415,000	1,101,000	1,516,000	793,000	1962
Westminster	Maryland	553,000	3,690,000	4,243,000	2,104,000	1969
Wheaton Park	Maryland	623,000	4,259,000	4,882,000	731,000	1967
Montgomery Village Center	Maryland	11,624,000	10,005,000	21,629,000	1,139,000	1969
Shoppes of Foxchase	Virginia	5,838,000	4,094,000	9,932,000	416,000	1960
Frederick County Square (e)	Maryland	6,561,000	8,134,000	14,695,000	877,000	1973
South Washington St.	Virginia	2,624,000	3,546,000	6,170,000	64,000	1959
		34,678,000	60,339,000	95,017,000	14,326,000	

Properties	Location	Date of Acquisition	Net Rentable Square Feet (f)	Units	Depreciation Life (c)
Office Buildings					
10400 Connecticut Avenue	Maryland	August 1979	65,000		31 Years
1901 Pennsylvania Avenue	Washington, D.C.	May 1977	97,000		28 Years
51 Monroe Street	Maryland	August 1979	210,000		41 Years
444 North Frederick Avenue (g)	Maryland	October 1989	66,000		50 Years
7700 Leesburg Pike	Virginia	October 1990	145,000		50 Years
Arlington Financial Center (g)	Virginia	June 1992	51,000		50 Years
515 King Street	Virginia	July 1992	78,000		50 Years
The Lexington Building	Maryland	November 1993	47,000		50 Years
The Saratoga Building	Maryland	November 1993	59,000		50 Years
Brandywine Center	Maryland	November 1993	35,000		50 Years
Tycon Plaza II	Virginia	June 1994	131,000		50 Years
Tycon Plaza III	Virginia	June 1994	152,000		50 Years
6110 Executive Boulevard	Maryland	January 1995	199,000		30 Years
1220 19th Street	Washington, D.C.	November 1995	104,000		30 Years
Maryland Trade Center I	Maryland	May 1996	191,000		30 Years
Maryland Trade Center II	Maryland	May 1996	159,000		30 Years
1600 Wilson Boulevard	Virginia	October 1997	167,000		30 Years
7900 Westpark Drive	Virginia	November 1997	478,000		30 Years
8230 Boone Boulevard	Virginia	September 1998	58,000		30 Years
Woodburn Medical Park I	Virginia	November 1998	71,000		30 Years
Woodburn Medical Park II	Virginia	November 1998	96,000		30 Years
			2,659,000		
Retail Centers					
Concord Centre	Virginia	December 1973	76,000		33 Years
Bradlee	Virginia	December 1984	168,000		40 Years
Clairmont	Maryland	December 1976	40,000		39 Years
Chevy Chase Metro Plaza	Washington, D.C.	September 1985	51,000		50 Years
Prince William Plaza	Virginia	August 1968	55,000		50 Years
Takoma Park	Maryland	July 1963	59,000		50 Years
Westminster	Maryland	September 1972	165,000		37 Years
Wheaton Park	Maryland	September 1977	71,000		49 Years
Montgomery Village Center	Maryland	December 1992	196,000		50 Years
Shoppes of Foxchase	Virginia	June 1994	128,000		50 Years
Frederick County Square (e)	Maryland	August 1995	233,000		30 Years
South Washington St.	Virginia	June 1998	45,000		30 Years
			1,287,000		

Summary of Real Estate Investments and Accumulated Depreciation

Properties	Location		Initial Cost (b) Land	Initial Cost (b) Building and Improvements	Net Improvements (Retirements) since Acquisition
Apartment Buildings					
Country Club Towers	Virginia		$ 299,000	$2,561,000	$2,677,000
Munson Hill Towers	Virginia	(a)	-	3,337,000	4,161,000
Park Adams	Virginia		287,000	1,654,000	3,506,000
Roosevelt Towers	Virginia		336,000	1,996,000	1,851,000
3801 Connecticut Avenue	Washington, D.C.		420,000	2,678,000	4,412,000
The Ashby at McLean	Virginia		4,356,000	17,125,000	2,013,000
Walker House Apartments	Virginia		2,851,000	7,946,000	565,000
Bethesda Hill	Maryland		3,900,000	13,338,000	894,000
			12,449,000	50,635,000	20,079,000
Industrial Distribution /Flex Property					
Pepsi-Cola	Maryland		760,000	1,792,000	1,560,000
Capitol Freeway Center	Washington, D.C.		300,000	1,205,000	2,627,000
Department of Commerce (g)	Virginia		347,000	1,009,000	1,356,000
Fullerton	Virginia		950,000	3,317,000	832,000
V Street Distribution Center	Washington, D.C.		126,000	317,000	201,000
Charleston Business Center	Maryland		2,045,000	2,091,000	247,000
Tech 100 Industrial Park	Maryland		2,086,000	4,744,000	417,000
Crossroads Distribution Center	Maryland		894,000	1,945,000	146,000
The Alban Business Center	Virginia		878,000	3,298,000	375,000
The Earhart Building	Virginia		916,000	4,128,000	103,000
Ammendale Technology Park I	Maryland		1,335,000	6,492,000	406,000
Ammendale Technology Park II	Maryland		862,000	5,016,000	266,000
Pickett Industrial Park	Virginia		3,300,000	4,899,000	491,000
Northern VA Industrial Park	Virginia		5,092,000	26,461,000	-
8900 Telegraph Road	Virginia		372,000	1,538,000	-
			20,263,000	68,252,000	9,027,000
Totals			$134,708,000	$370,494,000	$93,672,000

Properties	Location		Gross Amounts at which carried at December 31, 1998 Land	Buildings and Improvements	Total (d)	Accumulated Depreciation at December 31, 1998	Date of Construction
Apartment Buildings							
Country Club Towers	Virginia		$ 299,000	$5,238,000	$ 5,537,000	$ 2,956,000	1965
Munson Hill Towers	Virginia	(a)	-	7,498,000	7,498,000	4,020,000	1963
Park Adams	Virginia		287,000	5,160,000	5,447,000	2,301,000	1959
Roosevelt Towers	Virginia		336,000	3,847,000	4,183,000	2,152,000	1964
3801 Connecticut Avenue	Washington, D.C.		420,000	7,090,000	7,510,000	3,938,000	1951
The Ashby at McLean	Virginia		4,356,000	19,138,000	23,494,000	1,442,000	1982
Walker House Apartments	Virginia		2,851,000	8,511,000	11,362,000	743,000	1971
Bethesda Hill	Maryland		3,900,000	14,232,000	18,132,000	513,000	1986
			12,449,000	70,714,000	83,163,000	18,065,000	
Industrial Distribution /Flex Property							
Pepsi-Cola	Maryland		760,000	3,352,000	4,112,000	714,000	1971
Capitol Freeway Center	Washington, D.C.		300,000	3,832,000	4,132,000	1,842,000	1940
Department of Commerce (g)	Virginia		347,000	2,365,000	2,712,000	1,669,000	

						1964
Fullerton	Virginia	950,000	4,149,000	5,099,000	1,142,000	1980
V Street Distribution Center	Washington, D.C.	126,000	518,000	644,000	255,000	1960
Charleston Business Center	Maryland	2,045,000	2,338,000	4,383,000	262,000	1973
Tech 100 Industrial Park	Maryland	2,086,000	5,161,000	7,247,000	601,000	1990
Crossroads Distribution Center	Maryland	894,000	2,091,000	2,985,000	201,000	1987
The Alban Business Center	Virginia	878,000	3,673,000	4,551,000	293,000	1981
The Earhart Building	Virginia	916,000	4,231,000	5,147,000	283,000	1987
Ammendale Technology Park I	Maryland	1,335,000	6,898,000	8,233,000	434,000	1985
Ammendale Technology Park II	Maryland	862,000	5,282,000	6,144,000	319,000	1986
Pickett Industrial Park	Virginia	3,300,000	5,390,000	8,690,000	192,000	1973
Northern VA Industrial Park	Virginia	5,092,000	26,461,000	31,553,000	534,000	1968/1991
8900 Telegraph Road	Virginia	372,000	1,538,000	1,910,000	14,000	1985
		20,263,000	77,279,000	97,542,000	8,755,000	
		$134,708,000	$464,166,000	$598,874,000	$68,301,000	

Properties	Location	Date of Acquisition		Net Rentable Square Feet (f)	Units	Depreciation Life (c)
Apartment Buildings						
Country Club Towers	Virginia	July	1969	276,000	227	35 Years
Munson Hill Towers	Virginia	January	1970	340,000	279	33 Years
Park Adams	Virginia	January	1969	210,000	200	35 Years
Roosevelt Towers	Virginia	May	1965	229,000	191	40 Years
3801 Connecticut Avenue	Washington, D.C.	January	1963	242,000	307	30 Years
The Ashby at McLean	Virginia	August	1996	349,000	250	30 Years
Walker House Apartments	Virginia	March	1996	148,000	196	30 Years
Bethesda Hill	Maryland	November	1997	226,000	195	30 Years
				2,020,000	1,845	
Industrial Distribution /Flex Property						
Pepsi-Cola	Maryland	October	1987	69,000		40 Years
Capitol Freeway Center	Washington, D.C.	July	1974	145,000		25 Years
Department of Commerce (g)	Virginia	December	1971	105,000		43 Years
Fullerton	Virginia	September	1985	103,000		50 Years
V Street Distribution Center	Washington, D.C.	October	1973	31,000		40 Years
Charleston Business Center	Maryland	November	1993	85,000		50 Years
Tech 100 Industrial Park	Maryland	May	1995	167,000		30 Years
Crossroads Distribution Center	Maryland	December	1995	85,000		30 Years
The Alban Business Center	Virginia	October	1996	87,000		30 Years
The Earhart Building	Virginia	December	1996	92,000		30 Years
Ammendale Technology Park I	Maryland	February	1997	167,000		30 Years
Ammendale Technology Park II	Maryland	February	1997	108,000		30 Years
Pickett Industrial Park	Virginia	October	1997	246,000		30 Years
Northern VA Industrial Park	Virginia	May	1998	790,000		30 Years
8900 Telegraph Road	Virginia	September	1998	32,000		30 Years
				2,312,000		
				8,278,000	1,845	

Notes:

(a) The site of Munson Hill Towers is rented under a ground 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 management determination of the values relative to land and buildings.

(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, 1998, total land, buildings and improvements are carried at $584,303,000 for federal income tax purposes.

(e) At December 31, 1998, WRIT was obligated under the following mortgage encumbrances: the $7,321,000 mortgage note payable on Frederick County Square, the $9,226,000 mortgage note payable on Woodburn Medical Park I, and the $12,365,000 mortgage payable on Woodburn Medical Park II.

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

(g) Properties were sold subsequent to December 31, 1998.

</TABLE>

<TABLE>

Schedule III
(Continued)

Washington Real Estate Investment Trust and Subsidiaries

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

The following is a reconciliation of real estate assets and accumulated depreciation for the years ended December 31, 1998, 1997 and 1996:

	Years Ended December 31, 1998	1997	1996
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Real Estate Assets			
Balance, beginning of period	$504,315	$352,579	$272,597
Additions - property acquisitions	82,210	138,802	69,888
- improvements	18,652	13,915	11,972
Deductions - write-off of fully depreciated asset	-	(981)	(1,878)
Deductions - property sales	(6,303)	-	-
Balance, end of period	$598,874	$504,315	$352,579
Accumulated Depreciation			
Balance, beginning of period	$ 56,015	$46,639	$ 41,021
Additions - depreciation	14,566	10,357	7,496
Deductions - write-off of fully depreciated assets	-	(981)	(1,878)
Deductions - property sales	(2,280)	-	-
Balance, end of period	$ 68,301	$56,015	$ 46,639

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Washington Real Estate Investment Trust and Subsidiaries

Supplementary Information:
Quarterly Financial Results (Unaudited)
(In thousands, except per share data)

	Quarter First	Second	Third	Fourth
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1998:				
Real estate rental revenue	$24,501	$25,413	$26,243	$27,440
Net income	14,499	8,351	8,277	9,937
Net income per share	$0.41	$0.23	$0.23	$0.28
1997:				
Real estate rental revenue	$18,498	$19,104	$19,436	$22,391
Net income	7,028	7,140	7,664	8,304
Net income per share	$0.22	$0.22	$0.23	$0.23
1996:				

Real estate rental revenue	$14,681	$15,830	$17,056	$17,974
Net income	6,952	7,083	6,848	7,081
Net income per share	$0.22	$0.22	$0.22	$0.22

</TABLE>

EXHIBIT 22

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report dated February 9, 1999 included in Washington Real Estate Investment Trust's Form 10-K for the year ended December 31, 1998, into Washington Real Estate Investment Trust's previously filed Registration Statements on Form S-8, File No. 33-63671, Form S-3, Filed No. 333-23157, Form S-8, File No. 333-48081 and Form S-4, File No. 333-48293.

ARTHUR ANDERSEN, LLP
Washington, D.C.
March 10, 1999

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