UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For quarterly period ended March 31, 2012

OR

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

COMMISSION FILE NO. 1-6622

WASHINGTON REAL ESTATE INVESTMENT TRUST
(Exact name of registrant as specified in its charter)

MARYLAND	**53-0261100**
(State of incorporation)	**(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 12 months (or such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days. YES ☒ NO ☐

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

As of May 2, 2012, 66,318,150 common shares were outstanding.

WASHINGTON REAL ESTATE INVESTMENT TRUST

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PART I
FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

The information furnished in the accompanying unaudited Consolidated Balance Sheets, Condensed Consolidated Statements of Income, Condensed Consolidated Statements of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statements of Cash Flows reflects all adjustments, consisting of normal recurring items, which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods. The accompanying financial statements and notes thereto should be read in conjunction with the financial statements and notes for the three years ended December 31, 2011 included in WRIT's 2011 Annual Report on Form 10-K.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	March 31, 2012	December 31, 2011
Assets		
Land	$ 472,196	$ 472,196
Income producing property	1,947,630	1,934,587
	2,419,826	2,406,783
Accumulated depreciation and amortization	(556,833)	(535,732)
Net income producing property	1,862,993	1,871,051
Development in progress	44,236	43,089
Total real estate held for investment, net	1,907,229	1,914,140
Cash and cash equivalents	17,809	12,765
Restricted cash	21,922	19,424
Rents and other receivables, net of allowance for doubtful accounts of $9,653 and $8,921, respectively	54,727	53,828
Prepaid expenses and other assets	114,859	120,601
Total assets	$ 2,116,546	$ 2,120,758
Liabilities		
Notes payable	$ 657,562	$ 657,470
Mortgage notes payable	426,485	427,710
Lines of credit	109,000	99,000
Accounts payable and other liabilities	57,766	51,145
Advance rents	15,065	13,739
Tenant security deposits	8,949	8,862
Total liabilities	1,274,827	1,257,926
Equity		
Shareholders’ equity		
Preferred shares; $0.01 par value; 10,000 shares authorized; no shares issued and outstanding	—	—
Shares of beneficial interest; $0.01 par value; 100,000 shares authorized: 66,310 and 66,265 shares issued and 66,309 and 66,265 shares outstanding at March 31, 2012 and December 31, 2011, respectively	662	662
Additional paid in capital	1,141,062	1,138,478
Distributions in excess of net income	(303,815)	(280,096)
Total shareholders’ equity	837,909	859,044
Noncontrolling interests in subsidiaries	3,810	3,788
Total equity	841,719	862,832
Total liabilities and shareholders’ equity	$ 2,116,546	$ 2,120,758

See accompanying notes to the financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended March 31,	
	2012	2011
Revenue		
Real estate rental revenue	$ 76,499	$ 69,204
Expenses		
Real estate expenses	26,013	23,253
Depreciation and amortization	25,994	21,894
General and administrative	3,606	3,702
	55,613	48,849
Real estate operating income	20,886	20,355
Other income (expense)		
Interest expense	(15,895)	(16,893)
Other income	244	306
Acquisition costs	(54)	(1,649)
	(15,705)	(18,236)
Income from continuing operations	5,181	2,119
Discontinued operations:		
Income from operations of properties sold or held for sale	—	2,569
Net income	5,181	4,688
Less: Net income attributable to noncontrolling interests in subsidiaries	—	(23)
Net income attributable to the controlling interests	$ 5,181	$ 4,665
Basic net income (loss) attributable to the controlling interests per share:		
Continuing operations	$ 0.08	$ 0.03
Discontinued operations	—	0.04
Net income attributable to the controlling interests per share	$ 0.08	$ 0.07
Diluted net income (loss) attributable to the controlling interests per share:		
Continuing operations	$ 0.08	$ 0.03
Discontinued operations	—	0.04
Net income attributable to the controlling interests per share	$ 0.08	$ 0.07
Weighted average shares outstanding – basic	66,194	65,885
Weighted average shares outstanding – diluted	66,328	65,907
Dividends declared per share	$ 0.4338	$ 0.4338

See accompanying notes to the financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS)
(UNAUDITED)

	Three Months Ended March 31,	
	2012	2011
Net income	$ 5,181	$ 4,688
Other comprehensive income:		
Change in fair value of interest rate hedge	—	412
Comprehensive income	5,181	5,100
Less: Net income attributable to noncontrolling interests	—	(23)
Comprehensive income attributable to the controlling interests	$ 5,181	$ 5,077

See accompanying notes to the financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)
(UNAUDITED)

	Shares Outstanding	Shares of Beneficial Interest at Par Value	Additional Paid in Capital	Distributions in Excess of Net Income Attributable to the Controlling Interests	Total Shareholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
Balance, December 31, 2011	66,265	$ 662	$ 1,138,478	$ (280,096)	$ 859,044	$ 3,788	$ 862,832
Net income attributable to the controlling interests	—	—	—	5,181	5,181	—	5,181
Distributions to noncontrolling interests	—	—	—	—	—	(7)	(7)
Contributions from noncontrolling interest	—	—	—	—	—	29	29
Dividends	—	—	—	(28,900)	(28,900)	—	(28,900)
Shares issued under Dividend Reinvestment Program	44	—	1,242	—	1,242	—	1,242
Share options exercised	—	—	23	—	23	—	23
Share grants, net of share grant amortization and forfeitures	—	—	1,319	—	1,319	—	1,319
Balance, March 31, 2012	66,309	$ 662	$ 1,141,062	$ (303,815)	$ 837,909	$ 3,810	$ 841,719

See accompanying notes to the financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Cash flows from operating activities		
Net income	$ 5,181	$ 4,688
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including amounts in discontinued operations	25,994	25,249
Provision for losses on accounts receivable	1,098	1,341
Real estate impairment	—	599
Amortization of share grants, net	1,429	1,270
Amortization of debt premiums, discounts and related financing costs	968	785
Changes in operating other assets	(3,953)	(10,392)
Changes in operating other liabilities	4,842	9,021
Net cash provided by operating activities	35,559	32,561
Cash flows from investing activities		
Real estate acquisitions, net	—	(126,947)
Capital improvements to real estate	(10,459)	(3,690)
Development in progress	(780)	(33)
Non-real estate capital improvements	(210)	(105)
Net cash used in investing activities	(11,449)	(130,775)
Cash flows from financing activities		
Line of credit borrowings	20,000	78,000
Line of credit repayments	(10,000)	(18,000)
Dividends paid	(28,900)	(28,590)
Net contributions from (distributions to) noncontrolling interests	22	(25)
Proceeds from dividend reinvestment program	1,242	1,367
Principal payments – mortgage notes payable	(1,453)	(1,005)
Net proceeds from exercise of share options	23	180
Net cash provided by and (used in) financing activities	(19,066)	31,927
Net increase (decrease) in cash and cash equivalents	5,044	(66,287)
Cash and cash equivalents at beginning of year	12,765	78,767
Cash and cash equivalents at end of period	$ 17,809	$ 12,480
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 12,215	$ 12,062

See accompanying notes to the financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012
(UNAUDITED)

NOTE 1: NATURE OF BUSINESS

Washington Real Estate Investment Trust ("We" or "WRIT"), a Maryland real estate investment trust, is a self-administered, self-managed equity real estate investment trust, successor to a trust organized in 1960. Our business consists of the ownership and development of income-producing real estate properties in the greater Washington metro region. We own a diversified portfolio of office buildings, medical office buildings, multifamily buildings and retail centers.

Federal Income Taxes

We believe that we qualify as a real estate investment trust ("REIT") under Sections 856-860 of the Internal Revenue Code and intend to continue to qualify as such. To maintain our status as a REIT, we are required to distribute 90% of our ordinary taxable income to our shareholders. When selling properties, we have the option of (a) reinvesting the sales proceeds of properties sold, allowing for a deferral of income taxes on the sale, (b) paying out capital gains to the shareholders with no tax to WRIT or (c) treating the capital gains as having been distributed to the shareholders, paying the tax on the gain deemed distributed and allocating the tax paid as a credit to the shareholders.

Generally, and subject to our ongoing qualification as a REIT, no provisions for income taxes are necessary except for taxes on undistributed REIT taxable income and taxes on the income generated by our taxable REIT subsidiaries ("TRS's"). Our TRS's are subject to corporate federal and state income tax on their taxable income at regular statutory rates.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Significant Accounting Policies

We have prepared our consolidated financial statements using the accounting policies described in our Annual Report on Form 10-K for the year endedDecember 31, 2011.

New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU No. 2011-04, *Fair Value Measurement*, which requires new disclosures about fair value measurements. Specifically, additional disclosures are required regarding significant unobservable inputs used for Level 3 fair value measurements, a company's valuation process, transfers between Levels 1 and 2, and hierarchy classifications for items whose fair value is not recorded on the balance sheet, but disclosed in the notes. For WRIT, the primary impact of this ASU was to require disclosure of the hierarchy classifications (Level 1, 2 or 3) for our disclosures of the fair values of financial instruments in our notes to the consolidated financial statements. We adopted this ASU on January 1, 2012.

In June 2011, the FASB issued ASU 2011-05, *Comprehensive Income*, which requires the presentation of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This ASU eliminates the option of presenting the components of other comprehensive income as part of the statement of changes in shareholders' equity. This ASU is effective for fiscal years (including interim periods) beginning after December 15, 2011. We adopted this ASU on January 1, 2012 with the presentation of a separate statement of comprehensive income.

Principles of Consolidation and Basis of Presentation

The accompanying unaudited consolidated financial statements include the consolidated accounts of WRIT, its majority-owned subsidiaries and entities in which WRIT has a controlling interest, including where WRIT has been determined to be a primary beneficiary of a variable interest entity ("VIE"). All intercompany balances and transactions have been eliminated in consolidation.

We have prepared the accompanying unaudited financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made are adequate to make the information presented not misleading. In addition, in the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for the periods presented have been included. These unaudited financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2011.

Within these notes to the financial statements, we refer to the three months endedMarch 31, 2012 and March 31, 2011 as the

"2012 Quarter" and the "2011 Quarter", respectively.

Use of Estimates in the Financial Statements

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

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation due to the reclassification of certain properties as discontinued operations (see note 3 to the consolidated financial statements).

NOTE 3: REAL ESTATE

Variable Interest Entities

On June 15, 2011, we executed a joint venture operating agreement with a real estate development company to develop a mid-rise multifamily property at 650 North Glebe Road in Arlington, Virginia. We estimate the total cost of the project to be $45.0 million, with approximately 70% of the project financed with debt. WRIT is the 90% owner of the joint venture, and will have management and leasing responsibilities when the project is completed and stabilized (defined as 90% of the residential units leased). The real estate development company owns 10% of the joint venture and is responsible for the development and construction of the property.

On November 23, 2011, we executed a joint venture operating agreement with a real estate development company to develop a high-rise multifamily property at 1219 First Street in Alexandria, Virginia. We estimate the total cost of the project to be $95.3 million, with approximately 70% of the project financed with debt. WRIT is the 95% owner of the joint venture and will have management and leasing responsibilities when the project is completed and stabilized. The real estate development company owns 5% of the joint venture and is responsible for the development and construction of the property.

We have determined that the 650 North Glebe Road and 1219 First Street joint ventures are variable interest entities ("VIE's") primarily based on the fact that the equity investment at risk is not sufficient to permit either entity to finance its activities without additional financial support. We expect that 70% of the total development costs will be financed through debt. We have also determined that WRIT is the primary beneficiary of each VIE due to the fact that WRIT is providing 90% to 95% of the equity contributions and will manage each property after stabilization.

We include the joint venture land acquisitions on our consolidated balance sheets in held for development. As of March 31, 2012 and December 31, 2011, the land and capitalized development costs are as follows (in millions):

	March 31, 2012	December 31, 2011
650 North Glebe	$ 13.7	$ 13.4
1219 First Street	$ 15.1	$ 14.4

Discontinued Operations

We dispose of assets (sometimes using tax-deferred exchanges) that no longer meet our long-term strategy or return objectives and where market conditions for sale are favorable. The proceeds from the sales may be reinvested into other properties, used to fund development operations or to support other corporate needs, or distributed to our shareholders. Properties are considered held for sale when they meet the criteria specified by GAAP. Depreciation on these properties is discontinued at that time, but operating revenues, other operating expenses and interest continue to be recognized until the date of sale. We had no properties classified as sold or held for sale as of March 31, 2012.

We sold or classified as held for sale the following properties during 2011:

Disposition Date	Property Name	Property Type	Rentable Square Feet	Contract Purchase Price (In millions)
Various [1]	Industrial Portfolio[1]	Industrial/Office	3,092,000	$ 350.9
April 5, 2011	Dulles Station, Phase I	Office	180,000	58.8
		Total 2011	3,272,000	$ 409.7

[1] *The Industrial Portfolio consists of every property in our industrial segment andtwo office properties (the Crescent and Albemarle Point). On September 2, 2011 we closed on the sale of industrial properties (8880 Gorman Road, Dulles South IV, Fullerton Business Center, Hampton Overlook, Alban Business Center, Pickett Industrial Park, Northern Virginia Industrial Park I, 270 Technology Park, Fullerton Industrial Center, Sully Square, 9950 Business Parkway, Hampton South and 8900 Telegraph Road) and two office properties (Crescent and Albemarle Point). On October 3, 2011, we closed on the sale of Northern Virginia Industrial Park II. On November 2, 2011, we closed on the sale of 6100 Columbia Park Road and Dulles Business Park I and II.*

Operating results of the properties classified as discontinued operations are summarized as follows (in thousands):

	Quarter Ended March 31, 2012	Quarter Ended March 31, 2011
Revenues	$ —	$ 10,083
Property expenses	—	(3,327)
Real estate impairment	—	(599)
Depreciation and amortization	—	(3,355)
Interest expense	—	(233)
Income from operations of properties sold or held for sale	$ —	$ 2,569
Less: Net income attributable to noncontrolling interests in subsidiaries	—	(23)
Income from operations of properties sold or held for sale attributable to the controlling interests	$ —	$ 2,546

Operating income (loss) by each property classified as discontinued operations is summarized below (in thousands):

Property	Segment	Quarter Ended March 31, 2012	Quarter Ended March 31, 2011
Industrial Portfolio	Industrial/Office	$ —	$ 3,027
Dulles Station, Phase I	Office	—	(458)
		$ —	$ 2,569

The operating loss for Dulles Station I for the 2011 Quarter includes a$0.6 million impairment charge to reflect the property's fair value less any selling costs based on its contract sales price.

NOTE 4: UNSECURED LINES OF CREDIT PAYABLE

As of March 31, 2012, we maintained a $75.0 million unsecured line of credit ("Credit Facility No. 1") maturing in June 2012 and a $400.0 million unsecured line of credit ("Credit Facility No. 2") maturing in July 2014.

The amounts of these lines of credit unused and available at March 31, 2012 are as follows (in millions):

	Credit Facility No. 1	Credit Facility No. 2
Committed capacity	$ 75.0	$ 400.0
Borrowings outstanding	(74.0)	(35.0)
Letters of credit issued	(0.8)	—
Unused and available	$ 0.2	$ 365.0

We executed borrowings and repayments on the unsecured lines of credit during the 2012 Quarter as follows (in millions):

	Credit Facility No. 1	Credit Facility No. 2
Balance at December 31, 2011	$ 74.0	$ 25.0
Borrowings	—	20.0
Repayments	—	(10.0)
Balance at March 31, 2012	$ 74.0	$ 35.0

NOTE 5: STOCK BASED COMPENSATION

WRIT maintains short-term ("STIP") and long-term ("LTIP") incentive plans that provide for stock-based awards to officers and non-officer employees. Stock based awards are provided to officers and non-officer employees, as well as trustees, under the Washington Real Estate Investment Trust 2007 Omnibus Long-Term Incentive Plan which allows for awards in the form of restricted shares, restricted share units, options, and other awards up to an aggregate of 2,000,000 shares over the ten year period in which the plan will be in effect. Restricted share units are converted into shares of our stock upon full vesting through the issuance of new shares.

Total Compensation Expense

Total compensation expense recognized in the consolidated financial statements for all outstanding share based awards, was as follows (in millions):

	Quarter Ended March 31,	
	2012	2011
Stock-based compensation expense	$ 1.4	$ 1.3

Restricted Share Awards

The total fair values of share grants vested during the 2012 and 2011 Quarters are $0.3 million and $0.3 million, respectively. The total unvested restricted share awards at March 31, 2012 was 319,392 shares, which had a weighted average grant date fair value of $28.40 per share.

As of March 31, 2012, the total compensation cost related to non-vested restricted share awards was $5.1 million, which we expect to recognize as compensation expense over a weighted average period of 25 months.

NOTE 6: FAIR VALUE DISCLOSURES

Financial Assets and Liabilities Measured at Fair Value

For assets and liabilities measured at fair value on a recurring basis, quantitative disclosures about the fair value measurements are required to be disclosed separately for each major category of assets and liabilities, as follows:

Level 1: Quoted Prices in Active Markets for Identical Assets
Level 2: Significant Other Observable Inputs
Level 3: Significant Unobservable Inputs

The only assets or liabilities we had at March 31, 2012 and December 31, 2011 that are recorded at fair value on a recurring basis are the assets held in the Supplemental Executive Retirement Program ("SERP"). We base the valuations related to this item on assumptions derived from significant other observable inputs and accordingly these valuations fall into Level 2 in the fair value hierarchy. The fair value of these assets at March 31, 2012 and December 31, 2011 is as follows (in millions):

	March 31, 2012				December 31, 2011			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
SERP	$ 2.1	$ —	$ 2.1	$ —	$ 1.7	$ —	$ 1.7	$ —

Financial Assets and Liabilities Not Measured at Fair Value

The following disclosures of estimated fair value were determined by management using available market information and established valuation methodologies, including discounted cash flow. Many of these estimates involve significant judgment. The estimated fair value disclosed may not necessarily be indicative of the amounts we could realize on disposition of the financial instruments. The use of different market assumptions or estimation methodologies could have an effect on the estimated fair value amounts. In addition, fair value estimates are made at a point in time and thus, estimates of fair value subsequent to March 31, 2012 may differ significantly from the amounts presented.

Below is a summary of significant methodologies used in estimating fair values and a schedule of fair values at March 31, 2012.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents and restricted cash include cash and commercial paper with original maturities of less than 90 days, which are valued at the carrying value, which approximates fair value due to the short maturity of these instruments (Level 1 inputs).

Notes Receivable

We acquired a note receivable ("2445 M Street note") in 2008 with the purchase of 2445 M Street. We estimate the fair value of the 2445 M Street note based on quotes for debt with similar terms and characteristics (Level 2 inputs) or a discounted cash flow methodology using market discount rates (Level 3 inputs) if reliable quotes are not available. We estimated the fair value as of March 31, 2012 with a discounted cash methodology using market discount rates.

Debt

Mortgage notes payable consist of instruments in which certain of our real estate assets are used for collateral. We estimate the fair value of the mortgage notes payable by discounting the contractual cash flows at a rate equal to the relevant treasury rates (with respect to the timing of each cash flow) plus credit spreads estimated through independent comparisons to real estate assets or loans with similar characteristics. Lines of credit payable consist of bank facilities which we use for various purposes including working capital, acquisition funding or capital improvements. The lines of credit advances are priced at a specified rate plus a spread. We estimate the market value based on a comparison of the spreads of the advances to market given the adjustable base rate. We estimate the fair value of the notes payable by discounting the contractual cash flows at a rate equal to the relevant treasury rates (with respect to the timing of each cash flow) plus credit spreads derived using the relevant securities' market prices. We classify these fair value measurements as Level 3 as we use significant unobservable inputs and management judgment due to the absence of quoted market prices.

	March 31, 2012		December 31, 2011	
(in thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 17,809	$ 17,809	$ 12,765	$ 12,765
Restricted cash	$ 21,922	$ 21,922	$ 19,424	$ 19,424
2445 M Street note receivable	$ 7,111	$ 7,633	$ 6,975	$ 7,721
Mortgage notes payable	$ 426,485	$ 459,766	$ 427,710	$ 463,238
Lines of credit payable	$ 109,000	$ 109,000	$ 99,000	$ 99,000
Notes payable	$ 657,562	$ 694,327	$ 657,470	$ 713,797

NOTE 7: EARNINGS PER COMMON SHARE

We determine "Basic earnings per share" using the two-class method as our unvested restricted share awards have non-forfeitable rights to dividends, and are therefore considered participating securities. We compute basic earnings per share by dividing net income attributable to the controlling interest less the allocation of undistributed earnings to unvested restricted share awards by the weighted-average number of common shares outstanding for the period.

We also determine "Diluted earnings per share" under the two-class method with respect to the unvested restricted share awards. We further evaluate any other potentially dilutive securities at the end of the period and adjust the basic earnings per share calculation for the impact of those securities that are dilutive. Our diluted earnings per share calculation includes the dilutive impact of employee stock options based on the treasury stock method and our incentive share awards with performance or market conditions under the contingently issuable method. The diluted earnings per share calculation also considers our operating partnership units and 3.875% convertible notes under the if-converted method. The 3.875% convertible notes, which were repaid in full during the third quarter of 2011, were anti-dilutive for the reporting periods during which they were outstanding.

The following tables set forth the computation of basic and diluted earnings per share (amounts in thousands; except per share data):

	Quarter Ended March 31,	
	2012	2011
Numerator:		
Income from continuing operations	$ 5,181	$ 2,119
Allocation of undistributed earnings to unvested restricted share awards	(188)	(21)
Adjusted income from continuing operations attributable to the controlling interests	4,993	2,098
Income from discontinued operations, including gain on sale of real estate, net of taxes	—	2,569
Net income attributable to noncontrolling interests	—	(23)
Allocation of undistributed earnings to unvested restricted share awards	—	(25)
Adjusted income from discontinuing operations attributable to the controlling interests	—	2,521
Adjusted net income attributable to the controlling interests	$ 4,993	$ 4,619
Denominator:		
Weighted average shares outstanding – basic	66,194	65,885
Effect of dilutive securities:		
Operating partnership units	117	—
Employee stock options and restricted share awards	17	22
Weighted average shares outstanding – diluted	66,328	65,907
Earnings per common share, basic:		
Continuing operations	$ 0.08	$ 0.03
Discontinued operations	$ —	$ 0.04
	$ 0.08	$ 0.07
Earnings per common share, diluted:		
Continuing operations	$ 0.08	$ 0.03
Discontinued operations	$ —	$ 0.04
	$ 0.08	$ 0.07

NOTE 8: SEGMENT INFORMATION

We have four reportable segments: office, medical office, retail and multifamily. Office buildings provide office space for various types of businesses and professions. Medical office buildings provide offices and facilities for a variety of medical services. Retail centers are typically neighborhood grocery store or drug store anchored retail centers. Multifamily properties provide rental housing for individuals and families throughout the Washington metropolitan area.

We evaluate performance based upon operating income from the combined properties in each segment. Our reportable operating segments are consolidations of similar properties. GAAP requires that segment disclosures present the measure(s) used by the chief operating decision maker for purposes of assessing segments' performance. Net operating income is a key measurement of our segment profit and loss. Net operating income is defined as segment real estate rental revenue less segment real estate expenses.

The following tables present revenues and net operating income for the 2012 and 2011 Quarters from these segments, and reconciles net operating income of reportable segments to net income as reported (in thousands):

	Quarter Ended March 31, 2012					
	Office	Medical Office	Retail	Multifamily	Corporate and Other	Consolidated
Real estate rental revenue	$ 38,629	$ 11,428	$ 13,446	$ 12,996	$ —	$ 76,499
Real estate expenses	13,894	3,744	3,444	4,931	—	26,013
Net operating income	$ 24,735	$ 7,684	$ 10,002	$ 8,065	$ —	$ 50,486
Depreciation and amortization						(25,994)
General and administrative						(3,606)
Interest expense						(15,895)
Other income						244
Acquisition costs						(54)
Net income						5,181
Less: Net income attributable to noncontrolling interests						—
Net income attributable to the controlling interests						$ 5,181
Capital expenditures	$ 7,740	$ 1,473	$ 260	$ 986	$ 210	$ 10,669
Total assets	$ 1,113,521	$ 346,145	$ 362,307	$ 246,730	$ 47,843	$ 2,116,546

	Quarter Ended March 31, 2011						
	Office	Medical Office	Retail	Multifamily	Industrial/Flex	Corporate and Other	Consolidated
Real estate rental revenue	$ 33,433	$ 11,131	$ 12,147	$ 12,493	$ —	$ —	$ 69,204
Real estate expenses	11,214	3,669	3,542	4,828	—	—	23,253
Net operating income	$ 22,219	$ 7,462	$ 8,605	$ 7,665	$ —	$ —	$ 45,951
Depreciation and amortization							(21,894)
General and administrative							(3,702)
Interest expense							(16,893)
Acquisition costs							(1,649)
Other income							306
Discontinued operations:							
Income from discontinued operations							2,569
Net income							4,688
Less: Net income attributable to noncontrolling interests							(23)
Net income attributable to the controlling interests							$ 4,665
Capital expenditures	$ 2,466	$ 669	$ 441	$ (125)	$ 239	$ 105	$ 3,795
Total assets	$ 1,056,647	$ 351,939	$ 310,795	$ 225,776	$ 224,923	$ 46,132	$ 2,216,212

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto appearing in Item 1 of this report and the more detailed information contained in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission on February 27, 2012.

We refer to the three months ended March 31, 2012 and March 31, 2011 as the "2012 Quarter" and the "2011 Quarter", respectively.

Forward-Looking Statements

This Form 10-Q contains forward-looking statements which involve risks and uncertainties. Forward-looking statements include statements in this report preceded by, followed by or that include the words "believe," "expect," "intend," "anticipate," "potential," "project," "will" and other similar expressions. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for these statements. The following important factors, in addition to those discussed elsewhere in this Form 10-Q, could affect our future results and could cause those results to differ materially from those expressed in the forward-looking statements: (a) the effects of changes in Federal government spending; (b) the economic health of the greater Washington metro region, or other markets we may enter; (c) the timing and pricing of lease transactions; (d) the effect of the recent credit and financial market conditions; (e) the availability and cost of capital; (f) fluctuations in interest rates; (g) the economic health of our tenants; (h) the supply of competing properties; (i) consumer confidence; (j) unemployment rates; (k) consumer tastes and preferences; (l) our future capital requirements; (m) inflation; (n) compliance with applicable laws, including those concerning the environment and access by persons with disabilities; (o) governmental or regulatory actions and initiatives; (p) changes in general economic and business conditions; (q) terrorist attacks or actions; (r) acts of war; (s) weather conditions; (t) the effects of changes in capital available to the technology and biotechnology sectors of the economy, and (u) other factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission on February 27, 2012. We undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events, or otherwise.

General

Introductory Matters

We provide our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") in addition to the accompanying consolidated financial statements and notes to assist readers in understanding our results of operations and financial condition. We organize the MD&A as follows:

- *Overview.* Discussion of our business, operating results, investment activity and capital requirements, and summary of our significant transactions to provide context for the remainder of MD&A.
- *Results of Operations.* Discussion of our financial results comparing the 2012 Quarter to the 2011 Quarter.
- *Liquidity and Capital Resources.* Discussion of our financial condition and analysis of changes in our capital structure and cash flows.
- *Critical Accounting Policies and Estimates.* Descriptions of accounting policies that reflect significant judgments and estimates used in the preparation of our consolidated financial statements.

When evaluating our financial condition and operating performance, we focus on the following financial and non-financial indicators:

- Net operating income ("NOI"), calculated as real estate rental revenue less real estate expenses excluding depreciation and amortization, interest expense and general and administrative expenses. NOI is a non-GAAP supplemental measure to net income.
- Funds From Operations ("FFO"), calculated as set forth below under the caption "Funds from Operations." FFO is a non-GAAP supplemental measure to net income.
- Occupancy, calculated as occupied square footage as a percentage of total square footage as of the last day of that period.
- Leased percentage, calculated as the percentage of physical net rentable area leased for our commercial segments and percentage of apartments leased for our multifamily segment.
- Rental rates.
- Leasing activity, including new leases, renewals and expirations.

For purposes of evaluating comparative operating performance, we categorize our properties as “same-store”, “non-same-store” or discontinued operations. A “same-store” property is one that was owned for the entirety of the periods being evaluated, is stabilized from an occupancy standpoint and is included in continuing operations. A “non-same-store” property is one that was acquired or placed into service during either of the periods being evaluated and is included in continuing operations. Results for properties sold or held for sale during any of the periods evaluated are classified as discontinued operations.

Overview

Business

Our revenues are derived primarily from the ownership and operation of income-producing properties in the greater Washington metro region. As of March 31, 2012, we owned a diversified portfolio of 71 properties, totaling approximately 8.6 million square feet of commercial space and 2,540 multifamily units, and land held for development. These 71 properties consisted of 26 office properties, 18 medical office properties, 16 retail centers and 11 multifamily properties.

Operating Results

Our results of operations were as follows (in thousands):

	2012 Quarter	2011 Quarter	$ Change	% Change
Real estate rental revenue	$ 76,499	$ 69,204	$ 7,295	10.5 %
NOI [1]	$ 50,486	$ 45,951	$ 4,535	9.9 %
Net income attributable to the controlling interests	$ 5,181	$ 4,665	$ 516	11.1 %
FFO [2]	$ 31,175	$ 30,513	$ 662	2.2 %

[1] See page 21 of the MD&A for reconciliations of NOI to net income.

[2] See page 30 of the MD&A for reconciliations of FFO to net income.

The increases in real estate rental revenue and NOI are due to acquisitions made during 2011. NOI for the same-store portfolio decreased by $0.5 million primarily due to lower occupancy in the office and medical office segments. The lower occupancy reflects continued difficulties in leasing vacant commercial space. For the Washington metro region, overall office vacancy was 12.5% for the 2012 Quarter, up from 12.0% one year ago, according to Delta Associates/Transwestern Commercial Services ("Delta"). We expect real estate market conditions to remain challenging for the remainder of 2012, as, according to Delta, uncertainty over the Federal budget and the broader economic climate is causing hesitancy among tenants and dampening leasing activity.

Capital Requirements

As of March 31, 2012, our unsecured lines of credit had $109.0 million in borrowings outstanding and $0.8 million in letters of credit issued, leaving a remaining borrowing capacity of $365.2 million. Credit Facility No. 1, our $75.0 million unsecured credit facility, matures in June 2012. We currently expect to negotiate a replacement facility in the same or greater amount than the expiring facility. While we anticipate that the interest rate and facility fee of the replacement facility will be higher than the current facility, we do not expect the new terms to have a material adverse effect on our financial results.

Subsequent to the end of the 2012 Quarter, we repaid our $50.0 million of 5.05% unsecured notes on their maturity date of May 1, 2012 using borrowings on our unsecured lines of credit. We have $21.6 million of mortgage notes payable that mature during the remainder of 2012, which we currently expect to pay with some combination of proceeds from new debt, property sales and equity issuances.

Significant Transactions

We summarize below our significant transactions during the 2012 and 2011 Quarters:

2012 Quarter

- The execution of new leases for 0.2 million square feet of commercial space (excluding first generation leases at recently-built properties and properties sold or held for sale), with an average rental rate increase of 8.6% over expiring leases.

2011 Quarter

- The acquisition of two office buildings for $127.3 million, adding approximately 314,000 square feet.
We

incurred $1.6 million in acquisition costs related to these purchase transactions.

- The execution of new leases for 0.3 million square feet of commercial space (excluding first generation leases at recently-built properties), with an average rental rate increase of 2.8% from expiring leases.

Results of Operations

The discussion that follows is based on our consolidated results of operations for the 2012 and 2011 Quarters. The ability to compare one period to another may be significantly affected by acquisitions completed and dispositions made during those periods. To provide more insight into our operating results, we divide our discussion into two main sections:

- ***Consolidated Results of Operations*:** Overview analysis of results on a consolidated basis.
- ***Net Operating Income ("NOI")*:** Detailed analysis of same-store and non-same-store NOI results by segment.

Consolidated Results of Operations

Real Estate Rental Revenue

Real estate rental revenue for properties classified as continuing operations is summarized as follows (all data in thousands except percentage amounts):

	Quarter Ended March 31,			
			Change	
	2012	2011	$	%
Minimum base rent	$ 67,240	$ 61,523	$ 5,717	9.3 %
Recoveries from tenants	6,982	6,179	803	13.0 %
Provisions for doubtful accounts	(1,074)	(1,424)	350	(24.6)%
Lease termination fees	284	68	216	317.6 %
Parking and other tenant charges	3,067	2,858	209	7.3 %
	$ 76,499	$ 69,204	$ 7,295	10.5 %

Minimum Base Rent: Minimum base rent increased by $5.7 million in the 2012 Quarter primarily due to acquisitions.

Recoveries from Tenants: Recoveries from tenants increased by $0.8 million in the 2012 Quarter primarily due to acquisitions ($1.1 million), partially offset by a $0.3 million decrease from same-store properties. The same-store decrease was primarily due to lower utilities reimbursements caused by lower occupancy and mild weather.

Provisions for Doubtful Accounts: Provisions for doubtful accounts decreased by $0.4 million in the 2012 Quarter due to lower provisions in the medical office ($0.3 million) and office ($0.1 million) segments.

Lease Termination Fees: Lease termination fees increased by $0.2 million in the 2012 Quarter, primarily in the office segment.

Parking and Other Tenant Charges: Parking and other tenant charges increased by $0.2 million in the 2012 Quarter primarily due to acquisitions.

A summary of occupancy for properties classified as continuing operations by segment follows:

	As of March 31,		
	2012	2011	Change
Office	86.3 %	89.1 %	(2.8)%
Medical Office	87.1 %	88.3 %	(1.2)%
Retail	92.9 %	92.0 %	0.9 %
Multifamily	95.2 %	95.3 %	(0.1)%
Total	89.7 %	91.0 %	(1.3)%

Occupancy represents occupied square footage indicated as a percentage of total square footage as of the last day of that period.

A detailed discussion of occupancy by segment can be found in the NOI section.

Real Estate Expenses

Real estate expenses for properties classified as continuing operations are summarized as follows (all data in thousands except percentage amounts):

	Quarter Ended March 31,			
			Change	
	2012	2011	$	%
Property operating expenses	$ 18,178	$ 16,518	$ 1,660	10.0 %
Real estate taxes	7,835	6,735	1,100	16.3 %
	$ 26,013	$ 23,253	$ 2,760	11.9 %

Real estate expenses as a percentage of revenue were 34.0% and 33.6% for the 2012 and 2011 Quarters, respectively.

Property Operating Expenses: Property operating expenses include utilities, repairs and maintenance, property administration and management, operating services, common area maintenance, property insurance, bad debt and other operating expenses.

Property operating expenses increased by $1.7 million in the 2012 Quarter primarily due to properties acquired in 2011 ($1.6 million), as well as higher administrative expenses ($0.6 million), higher property taxes ($0.3 million) and lower recoveries of bad debt ($0.3 million) at same-store properties. These were partially offset by lower snow removal costs ($0.7 million) and utilities expense ($0.6 million) at same-store properties due to mild weather and lower electricity rates.

Real Estate Taxes: Real estate taxes increased by $1.1 million in the 2012 Quarter primarily due to acquisitions.

Other Operating Expenses

Other operating expenses are summarized as follows (all data in thousands except percentage amounts):

	Quarter Ended March 31,			
			Change	
	2012	2011	$	%
Depreciation and amortization	$ 25,994	$ 21,894	$ 4,100	18.7 %
Interest expense	15,895	16,893	(998)	(5.9)%
Acquisition costs	54	1,649	(1,595)	(96.7)%
General and administrative	3,606	3,702	(96)	(2.6)%
	$ 45,549	$ 44,138	$ 1,411	3.2 %

Depreciation and Amortization: Depreciation and amortization expense increased by $4.1 million in the 2012 Quarter primarily due to acquisitions.

Interest Expense: A summary of interest expense by debt type for the2012 and 2011 Quarters appears below (in millions, except percentage amounts):

	Quarter Ended March 31,			
			Change	
	2012	2011	$	%
Notes payable	9.0	10.5	(1.5)	(14.3)%
Mortgages	6.5	5.6	0.9	16.1 %
Lines of credit/short-term note payable	0.8	0.9	(0.1)	(11.1)%
Capitalized interest	(0.4)	(0.1)	(0.3)	300.0 %
Total	$ 15.9	$ 16.9	$ (1.0)	(5.9)%

Acquisition Costs: Acquisition costs decreased by $1.6 million due to the acquisitions of 1140 Connecticut Avenue and 1227 25th Street during the 2011 Quarter.

General and Administrative Expense: General and administrative expense decreased by $0.1 million in the 2012 Quarter primarily due to higher incentive compensation expense ($0.3 million), partially offset by lower legal expenses ($0.1 million).

Discontinued Operations

We dispose of assets (sometimes using tax-deferred exchanges) that no longer meet our long-term strategy or return objectives and where market conditions for sale are favorable. The proceeds from the sales may be reinvested into other properties, used to fund development operations or to support other corporate needs, or distributed to our shareholders.

Properties we sold during 2011 are as follows:

Disposition Date	Property	Type	Rentable Square Feet	Contract Sales Price (In millions)
Various	Industrial Portfolio[1]	Office/Industrial	3,092,000	$ 350.9
April 5, 2011	Dulles Station, Phase I	Office	180,000	$ 58.8
		2011 Total	3,272,000	$ 409.7

(1) *The Industrial Portfolio consists of every property in our industrial segment and two office properties (the Crescent and Albemarle Point). On September 2, 2011 we closed on the sale of industrial properties (8880 Gorman Road, Dulles South IV, Fullerton Business Center, Hampton Overlook, Alban Business Center, Pickett Industrial Park, Northern Virginia Industrial Park I, 270 Technology Park, Fullerton Industrial Center, Sully Square, 9950 Business Parkway, Hampton South and 8900 Telegraph Road) and two office properties (Crescent and Albemarle Point). On October 3, 2011, we closed on the sale of Northern Virginia Industrial Park II. On November 1, 2011, we closed on the sale of 6100 Columbia Park Road and Dulles Business Park I and II.*

Operating results of the properties classified as discontinued operations are summarized as follows (in thousands, except for percentages):

	Quarter Ended March 31,			
			Change	
	2012	2011	$	%
Revenues	$ —	$ 10,083	$ (10,083)	(100.0)%
Property expenses	—	(3,327)	3,327	(100.0)%
Real estate impairment	—	(599)	599	(100.0)%
Depreciation and amortization	—	(3,355)	3,355	(100.0)%
Interest expense	—	(233)	233	(100.0)%
Total	$ —	$ 2,569	$ (2,569)	(100.0)%

Net Operating Income

NOI is the primary performance measure we use to assess the results of our operations at the property level. We believe that NOI is useful as a performance measure because, when compared across periods, NOI reflects the impact on operations of trends in occupancy rates, rental rates and operating costs on an unleveraged basis, providing perspective not immediately apparent from net income. NOI excludes certain components from net income in order to provide results more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. As a result of the foregoing, we provide NOI as a supplement to net income calculated in accordance with GAAP. NOI does not represent net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. A reconciliation of NOI to net income follows.

2012 Quarter Compared to 2011 Quarter

The following tables of selected operating data provide the basis for our discussion of NOI in the 2012 Quarter compared to the 2011 Quarter. All amounts are in thousands except percentage amounts.

	Quarter Ended March 31,			
	2012	2011	$ Change	% Change
Real Estate Rental Revenue				
Same-store	$ 67,073	$ 67,246	$ (173)	(0.3)%
Non-same-store (1)	9,426	1,958	7,468	381.4 %
Total real estate rental revenue	$ 76,499	$ 69,204	$ 7,295	10.5 %
Real Estate Expenses				
Same-store	$ 22,650	$ 22,348	$ 302	1.4 %
Non-same-store (1)	3,363	905	2,458	271.6 %
Total real estate expenses	$ 26,013	$ 23,253	$ 2,760	11.9 %
NOI				
Same-store	$ 44,423	$ 44,898	$ (475)	(1.1)%
Non-same-store (1)	6,063	1,053	5,010	475.8 %
Total NOI	$ 50,486	$ 45,951	$ 4,535	9.9 %
Reconciliation to Net Income				
NOI	$ 50,486	$ 45,951		
Depreciation and amortization	(25,994)	(21,894)		
General and administrative expenses	(3,606)	(3,702)		
Interest expense	(15,895)	(16,893)		
Other income	244	306		
Acquisition costs	(54)	(1,649)		
Discontinued operations:				
Income (loss) from operations of properties sold or held for sale(2)	—	2,569		
Net income	5,181	4,688		
Less: Net income attributable to noncontrolling interests	—	(23)		
Net income attributable to the controlling interests	$ 5,181	$ 4,665		

Occupancy	2012	2011
Same-store	90.1 %	91.8 %
Non-same-store (1)	86.1 %	71.7 %
Total	89.7 %	91.0 %

(1) Non-same-store properties include:

2011 Office acquisitions – 1140 Connecticut Avenue, 1227 25th Street, Braddock Metro Center and John Marshall II
2011 Retail acquisition – Olney Village Center
2009 Medical Office acquisition – Lansdowne Medical Office Building

(2) Discontinued operations include gains on disposals and income from operations for:

2011 held for sale and sold – Dulles Station, Phase I and the Industrial Portfolio

Real estate rental revenue from same-store properties decreased by $0.2 million in the 2012 Quarter primarily due to lower occupancy ($0.7 million) and lower reimbursements of operating expenses ($0.5 million), partially offset by higher rental rates ($0.9 million).

Real estate expenses from same-store properties increased by $0.3 million in the 2012 Quarter as higher administrative expenses

($0.6 million), lower recoveries of bad debt ($0.3 million) and higher real estate taxes ($0.3 million) were partially offset by lower utilities ($0.6 million) caused by mild weather and lower electricity rates and lower common area maintenance expenses ($0.4 million).

The decrease in same-store occupancy was the result of difficulties in leasing vacant space in the office and medical office segments. The increase in non-same-store occupancy reflects the acquisitions made during 2011. During the 2012 Quarter, 66.9% of the commercial square footage expiring was renewed as compared to 85.0% in the 2011 Quarter, excluding properties sold or classified as held for sale. During the 2012 Quarter, we executed new leases (excluding first generation leases at recently-built properties) for 217,979 commercial square feet at an average rental rate of $30.29 per square foot, an increase of 8.6%, with average tenant improvements and leasing costs of $31.64 per square foot.

An analysis of NOI by segment follows.

Office Segment:

	Quarter Ended March 31,			
	2012	2011	$ Change	% Change
Real Estate Rental Revenue				
Same-store	$ 30,781	$ 31,583	$ (802)	(2.5)%
Non-same-store (1)	7,848	1,850	5,998	
Total real estate rental revenue	$ 38,629	$ 33,433	$ 5,196	15.5 %
Real Estate Expenses				
Same-store	$ 11,003	$ 10,460	$ 543	5.2 %
Non-same-store (1)	2,891	754	2,137	
Total real estate expenses	$ 13,894	$ 11,214	$ 2,680	23.9 %
NOI				
Same-store	$ 19,778	$ 21,123	$ (1,345)	(6.4)%
Non-same-store (1)	4,957	1,096	3,861	
Total NOI	$ 24,735	$ 22,219	$ 2,516	11.3 %

Occupancy	2012	2011
Same-store	85.9 %	89.3 %
Non-same-store (1)	88.1 %	87.5 %
Total	86.3 %	89.1 %

(1) Non-same-store properties include:

2011 acquisitions – 1140 Connecticut Avenue, 1227 25th Street, Braddock Metro Center and John Marshall II

Real estate rental revenue from same-store properties decreased by $0.8 million in the 2012 Quarter primarily due to lower occupancy ($0.7 million) and lower reimbursements for operating expenses ($0.2 million).

Real estate expenses from same-store properties increased by $0.5 million primarily due to lower recoveries of bad debt ($0.3 million), higher real estate taxes ($0.3 million) and higher administrative costs ($0.2 million), partially offset by lower utilities ($0.4 million).

The decrease in same-store occupancy was primarily due to lower occupancy at 7900 Westpark Drive, West Gude Drive and 6110 Executive Boulevard. The non-same-store occupancy of 88.1% reflects high occupancy at Braddock Metro Center and John Marshall II, partially offset by 1227 25th Street and 1140 Connecticut Avenue, which were 71.9% and 77.6% occupied at the end of the 2012 Quarter, respectively. During the 2012 Quarter, 57.0% of the square footage that expired was renewed compared to 33.8% in the 2011 Quarter, excluding properties sold or classified as held for sale. During the 2012 Quarter, we executed new leases for 136,234 square feet of office space at an average rental rate of $31.87 per square foot, an increase of 10.0%, with average tenant improvements and leasing costs of $38.92 per square foot.

Medical Office Segment:

	Quarter Ended March 31,			
	2012	2011	$ Change	% Change
Real Estate Rental Revenue				
Same-store	$ 11,198	$ 11,023	$ 175	1.6 %
Non-same-store (1)	230	108	122	113.0 %
Total real estate rental revenue	$ 11,428	$ 11,131	$ 297	2.7 %
Real Estate Expenses				
Same-store	$ 3,580	$ 3,518	$ 62	1.8 %
Non-same-store (1)	164	151	13	8.6 %
Total real estate expenses	$ 3,744	$ 3,669	$ 75	2.0 %
NOI				
Same-store	$ 7,618	$ 7,505	$ 113	1.5 %
Non-same-store (1)	66	(43)	109	(253.5)%
Total NOI	$ 7,684	$ 7,462	$ 222	3.0 %

Occupancy	**2012**	**2011**
Same-store	90.7 %	93.5 %
Non-same-store (1)	35.9 %	14.7 %
Total	87.1 %	88.3 %

(1) Non-same-store properties include:

2009 acquisition – Lansdowne Medical Office Building

Real estate rental revenue from same-store properties increased by $0.2 million in 2012 Quarter due to lower reserves for uncollectible revenue ($0.3 million) and higher rental rates ($0.2 million), partially offset by lower reimbursements for operating expenses ($0.2 million) and lower occupancy ($0.1 million).

Real estate expenses from same-store properties slightly increased in the 2012 Quarter.

The decrease in same-store occupancy was driven by lower occupancy at Woodholme Medical Center, 8503 Arlington Boulevard and Shady Grove Medical Center II. The increase in non-same-store occupancy to 35.9% in the 2012 Quarter reflects the continued lease-up of Lansdowne Medical Office Building, which was newly-constructed and vacant when purchased during the fourth quarter of 2009. During the 2012 Quarter, 66.3% of the square footage that expired was renewed compared to 84.3% in the 2011 Quarter. During the 2012 Quarter, we executed new leases (excluding first generation leases) for 69,171 square feet of medical office space at an average rental rate of $29.94, an increase of 5.8%, with average tenant improvements and leasing costs of $22.94 per square foot.

Retail Segment:

	Quarter Ended March 31,			
	2012	2011	$ Change	% Change
Real Estate Rental Revenue				
Same-store	$ 12,098	$ 12,147	$ (49)	(0.4)%
Non-same-store [1]	1,348	—	1,348	
Total real estate rental revenue	$ 13,446	$ 12,147	$ 1,299	10.7 %
Real Estate Expenses				
Same-store	$ 3,136	$ 3,542	$ (406)	(11.5)%
Non-same-store [1]	308	—	308	
Total real estate expenses	$ 3,444	$ 3,542	$ (98)	(2.8)%
NOI				
Same-store	$ 8,962	$ 8,605	$ 357	4.1 %
Non-same-store [1]	1,040	—	1,040	
Total NOI	$ 10,002	$ 8,605	$ 1,397	16.2 %

Occupancy	**2012**	**2011**
Same-store	92.4%	92.0%
Non-same-store [1]	98.7%	-
Total	92.9%	92.0%

(1) Non-same-store properties include:

2011 acquisition – Olney Village Center

2010 acquisition – Gateway Overlook

Real estate rental revenue from same-store properties slightly decreased in the 2012 Quarter as lower reimbursements for operating expenses ($0.2 million) and higher reserves for uncollectible revenue ($0.1 million) were offset by higher occupancy ($0.2 million) and rental rates ($0.1 million).

Real estate expenses from same-store properties decreased by $0.4 million in the 2012 Quarter primarily due to lower snow removal costs attributable to milder weather.

The increase in same-store occupancy was driven by higher occupancy at Montrose Shopping Center and Wheaton Park, partially offset by lower occupancy at the Centre at Hagerstown. The non-same-store occupancy of 98.7% reflects the acquisitions of Olney Village Center and Gateway Overlook. During the 2012 Quarter, 91.0% of the square footage that expired was renewed compared to 99.6% in the 2011 Quarter. During the 2012 Quarter, we executed new leases for 12,574 square feet of retail space at an average rental rate of $15.13, an increase of 7.1%, with average tenant improvements and leasing costs of $0.73 per square foot.

Multifamily Segment:

	Quarter Ended March 31,			
	2012	2011	$ Change	% Change
Real Estate Rental Revenue				
Total	$ 12,996	$ 12,493	$ 503	4.0%
Real Estate Expenses				
Total	$ 4,931	$ 4,828	$ 103	2.1%
NOI				
Total	$ 8,065	$ 7,665	$ 400	5.2%

Occupancy	2012	2011
Total	95.2%	95.3%

Real estate rental revenue increased by $0.5 million in the 2012 Quarter due primarily to higher rental rates ($0.5 million) and lower reserves for uncollectible revenue ($0.1 million), partially offset by lower occupancy ($0.1 million).

Real estate expenses increased by $0.1 million in the 2012 Quarter primarily due to higher property administration costs ($0.2 million), partially offset by lower utilities expense ($0.1 million) due to milder weather.

The decrease in occupancy was driven by lower occupancy at Roosevelt Towers, 3801 Connecticut Avenue and the Kenmore, partially offset by higher occupancy at Munson Hill Towers, Walker House Apartments and Bennett Park.

Liquidity and Capital Resources

Capital Structure

During the remainder of 2012, we expect that we will have the following capital requirements. There can be no assurance that our capital requirements will not be materially higher or lower than these expectations.

- Funding dividends on our common shares and noncontrolling interest distributions to third party unit holders;
- Capital to refinance the $21.6 million of remaining 2012 maturities on our mortgage notes payable;
- Capital to refinance our $75.0 million unsecured line of credit which expires in 2012;
- Approximately $45.0 - $60.0 million to invest in our existing portfolio of operating assets, including approximately $20.0 - $25.0 million to fund tenant-related capital requirements and leasing commissions;
- Approximately $1.0 million to fund first generation tenant-related capital requirements and leasing commissions;
- Approximately $12.9 million to invest in our development projects;
- Funding to cover any costs related to property acquisitions; and
- Funding for potential property acquisitions throughout the remainder of 2012, with a portion expected to be offset by proceeds from potential property dispositions.

Debt Financing

Our total debt at March 31, 2012 and December 31, 2011 is summarized as follows (in thousands):

	March 31, 2012	December 31, 2011
Fixed rate mortgages	$ 426,485	$ 427,710
Unsecured credit facilities	109,000	99,000
Unsecured notes payable	657,562	657,470
	$ 1,193,047	$ 1,184,180

Mortgage Debt

At March 31, 2012, our $426.5 million in fixed rate mortgages, which includes a net $4.2 million in unamortized discounts due to fair value adjustments, bore an effective weighted average fair value interest rate of 5.9% and had a weighted average maturity of 4.4 years. We may either initiate secured mortgage debt or assume mortgage debt from time-to-time in conjunction with property acquisitions.

Unsecured Credit Facilities

Our primary external sources of liquidity are our two revolving credit facilities.

Credit Facility No. 1 is a $75.0 million unsecured credit facility set to expire in June 2012. We had $74.0 million outstanding and $0.8 million in letters of credit issued as of March 31, 2012, related to Credit Facility No. 1. Borrowings under the facility bear interest at our option of LIBOR plus a spread based on the credit rating on our publicly issued debt or the higher of SunTrust Bank's prime rate and the Federal Funds Rate in effect plus 0.5%. The interest rate spread is currently 42.5 basis points. All outstanding advances are due and payable upon maturity in June 2012. Interest only payments are due and payable generally on a monthly basis. In addition, we pay a facility fee based on the credit rating of our publicly issued debt which currently equals 0.15% per annum of the $75.0 million committed capacity, without regard to usage. Rates and fees may be adjusted up or down based on changes in our senior unsecured credit ratings.

We anticipate that, prior to the June 2012 expiration of Credit Facility No. 1, we will negotiate a replacement facility in the same or greater amount than the expiring facility. While we anticipate that the interest rate and facility fee of the replacement facility will be higher than the current facility, we do not expect the new terms to have a material adverse effect on our financial results.

Credit Facility No. 2 is a $400.0 million unsecured credit facility expiring in July 2014. We had $35.0 million outstanding as of March 31, 2012, related to Credit Facility No. 2. Subsequent to the end of the quarter, we executed additional net borrowings of $45.0 million, primarily to repay our $50.0 million of 5.05% unsecured notes on their maturity date of May 1, 2012. Advances under this agreement bear interest at our option of LIBOR plus a spread based on the credit rating of our publicly issued debt or the higher of Wells Fargo Bank's prime rate and the Federal Funds Rate in effect on that day plus 1.0%. The interest rate spread is currently 122.5 basis points. Interest only payments are due and payable generally on a monthly basis. Credit Facility No. 2 requires us to pay the lender a facility fee on the total commitment of 0.225% per annum. These fees are payable quarterly. All outstanding advances are due and payable upon maturity in July 2014 with a one-year extension option.

Our unsecured credit facilities contain financial and other covenants with which we must comply. Some of these covenants include:

- A minimum tangible net worth;
- A maximum ratio of total liabilities to gross asset value, calculated using an estimate of fair market value of our assets;
- A maximum ratio of secured indebtedness to gross asset value, calculated using an estimate of fair market value of our assets;
- A minimum ratio of annual EBITDA (earnings before interest, taxes, depreciation and amortization) to fixed charges, including interest expense;
- A minimum ratio of unencumbered asset value, calculated using a fair value of our assets, to unsecured indebtedness;
- A minimum ratio of net operating income from our unencumbered properties to unsecured interest expense; and
- A maximum ratio of permitted investments to gross asset value, calculated using an estimate of fair market value of our assets.

Failure to comply with any of the covenants under our unsecured credit facilities or other debt instruments could result in a default under one or more of our debt instruments. This could cause our lenders to accelerate the timing of payments and would therefore have a material adverse effect on our business, operations, financial condition and liquidity. In addition, our ability to draw on our unsecured credit facilities or incur other unsecured debt in the future could be restricted by the loan covenants. As of March 31, 2012, we were in compliance with our loan covenants.

There is a possibility that in the near term we may rely to a greater extent upon our unsecured credit facilities and potentially maintain balances on our unsecured credit facilities for longer periods than has been our historical practice. To the extent that we maintain larger balances on our unsecured credit facilities or maintain balances on our unsecured credit facilities for longer periods, adverse fluctuations in interest rates could have a material adverse effect on earnings.

Unsecured Notes

We generally issue unsecured notes to fund our real estate assets long-term. In issuing future unsecured notes, we generally seek to ladder the maturities of our debt to mitigate exposure to interest rate risk in any particular future year.

Our unsecured notes have maturities ranging from May 2012 through February 2028, as follows (in thousands):

	March 31, 2012 Note Principal
5.05% notes due 2012 [1]	$ 50,000
5.125% notes due 2013	60,000
5.25% notes due 2014	100,000
5.35% notes due 2015	150,000
4.95% notes due 2020	250,000
7.25% notes due 2028	50,000
	$ 660,000

[1] We repaid our $50.0 million of 5.05% unsecured notes on their maturity date of May 1, 2012 using borrowings on our unsecured lines of credit.

Our unsecured notes contain covenants with which we must comply. These include:

- Limits on our total indebtedness;
- Limits on our secured indebtedness;
- Limits on our required debt service payments; and
- Maintenance of a minimum level of unencumbered assets.

Failure to comply with any of the covenants under our unsecured notes could result in a default under one or more of our debt instruments. This could cause our debt holders to accelerate the timing of payments and would therefore have a material adverse effect on our business, operations, financial condition and liquidity. As of March 31, 2012, we were in compliance with our unsecured notes covenants.

We may from time to time seek to repurchase and cancel our outstanding notes through open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Common Equity

We have authorized for issuance 100.0 million common shares, of which 66.3 million shares were outstanding at March 31, 2012.

We have a dividend reinvestment program, whereby shareholders may use their dividends and optional cash payments to purchase common shares. The common shares sold under this program may either be common shares issued by us or common shares purchased in the open market. We use net proceeds under this program for general corporate purposes. For the 2012 Quarter, we issued 43,367 common shares at a weighted average price of $29.74 per share, raising $1.2 million in net proceeds.

Dividends

We pay dividends quarterly. The maintenance of these dividends is subject to various factors, including the discretion of our Board of Trustees, our results of operations, the ability to pay dividends under Maryland law, the availability of cash to make the necessary dividend payments and the effect of REIT distribution requirements, which require at least 90% of our taxable income to be distributed to shareholders.

The table below details our dividend and distribution payments for the 2012 and 2011 Quarters (in thousands).

	Quarter Ended March 31,			
			Change	
	2012	2011	$	%
Common dividends	$ 28,900	$ 28,590	$ 310	1.1 %
Distributions to noncontrolling interests	7	25	(18)	(72.0)%
	$ 28,907	$ 28,615	$ 292	1.0 %

Dividends paid for the 2012 Quarter as compared to the 2011 Quarter increased due primarily to the issuance of 0.2 million common shares under our dividend reinvestment program during 2011.

Cash flows from operations are an important factor in our ability to sustain our dividend at its current rate. If our cash flows from operations were to decline significantly, we may have to borrow on our lines of credit to sustain the dividend rate or reduce our dividend.

Historical Cash Flows

Consolidated cash flow information is summarized as follows (in millions):

	Quarter Ended March 31,			
			Change	
	2012	2011	$	%
Net cash provided by (used in) operating activities	$ 35.6	$ 32.6	$ 3.0	9.2 %
Net cash provided by (used in) investing activities	$ (11.4)	$ (130.8)	$ 119.4	(91.3)%
Net cash provided by (used in) financing activities	$ (19.1)	$ 31.9	$ (51.0)	(159.9)%

Our operating activities generated $35.6 million of net cash in the 2012 Quarter, an increase from $32.6 million in the 2011 Quarter that is primarily attributable the acquisitions made during 2011 and lower acquisition costs.

Our investing activities used net cash of $11.4 million in the 2012 Quarter compared to $130.8 million in the 2011 Quarter. The decrease in cash used by investing activities is primarily due to the acquisitions of 1140 Connecticut Avenue and 1227 25th Street during the 2011 Quarter, partially offset by an increase in capital expenditures during the 2012 Quarter.

Our financing activities used net cash of $19.1 million in the 2012 Quarter as compared to net cash provided of $31.9 million in the 2011 Quarter. The decrease in cash provided by financing activities is primarily due to net borrowings of $10.0 million from our lines of credit during the 2012 Quarter, compared to $60.0 million in net borrowings during the 2011 Quarter used to partially finance our property acquisitions.

Ratios of Earnings to Fixed Charges and Debt Service Coverage

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

	Quarter Ended March 31,	
	2012	**2011**
Earnings to fixed charges	1.29x	1.12x
Debt service coverage	2.73x	2.64x

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

We computed the debt service coverage ratio by dividing Adjusted EBITDA (which is earnings before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss from the extinguishment of debt and gain/loss on non-disposal activities) by interest expense and principal amortization. We believe that Adjusted EBITDA is appropriate for use in our debt service coverage ratio because it provides an estimate of the cash available to pay down long term debt. Adjusted EBITDA does not represent net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. A reconciliation of Adjusted EBITDA to net income attributable to the controlling interests is in Exhibit 12 – Computation of Ratios.

Funds From Operations

FFO is a widely used measure of operating performance for real estate companies. We provide FFO as a supplemental measure to net income calculated in accordance with GAAP. Although FFO is a widely used measure of operating performance for REITs, FFO does not represent net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. In addition, FFO does not represent cash generated from operating activities in accordance with GAAP, nor does it represent cash available to pay distributions and should not be considered as an alternative to cash flow from operating activities, determined in accordance with GAAP, as a measure of our liquidity. The National Association of Real Estate Investment Trusts, Inc. ("NAREIT") defines FFO (April, 2002 White Paper) as net income (computed in accordance with GAAP) excluding gains (or losses) from sales of property and impairments of depreciable real estate, if any, plus real estate depreciation and amortization. We consider FFO to be a standard supplemental measure for REITs because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs. Our FFO may not be comparable to FFO reported by other REITs. These other REITs may not define the term in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently.

The following table provides the calculation of our FFO and a reconciliation of FFO to net income for the periods shown (in thousands):

	Quarter Ended March 31,	
	2012	**2011**
Net income attributable to the controlling interests	$ 5,181	$ 4,665
Adjustments:		
Depreciation and amortization	25,994	21,894
Discontinued operations:		
Depreciation and amortization	—	3,355
Real estate impairment	—	599
FFO as defined by NAREIT	$ 31,175	$ 30,513

Critical Accounting Policies and Estimates

We base the discussion and analysis of our financial condition and results of operations upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We discuss the most critical estimates in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission on February 27, 2012.

ITEM 3: QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The principal material financial market risk to which we are exposed is interest-rate risk. Our 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 our variable rate lines of credit. We primarily enter into debt obligations to support general corporate purposes including acquisition of real estate properties, capital improvements and working capital needs.

As the majority of our outstanding debt is long-term, fixed rate debt, our interest rate risk has not changed significantly from what was disclosed in our 2011 Annual Report on Form 10-K. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Debt Financing."

ITEM 4: CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, Chief Financial Officer and Executive Vice President of Accounting, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Executive Vice President of Accounting, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer, Chief Financial Officer and Executive Vice President of Accounting concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There have been no changes in WRIT's internal control over financial reporting (as defined by Rule 13a-15(f)) that occurred during the period covered by the report that have materially affected, or are reasonably likely to materially affect, WRIT's internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

None.

ITEM 1A: RISK FACTORS

None.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: MINE SAFETY DISCLOSURES

None.

ITEM 5: OTHER INFORMATION

None.

ITEM 6: EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	File Number	Exhibit	Filing Date	Filed Herewith
10.38*	Short Term Incentive Plan, effective January 1, 2012					X
12	Computation of Ratios					X
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (“the Exchange Act”)					X
31.2	Certification of the Executive Vice President – Accounting and Administration pursuant to Rule 13a-14(a) of the Exchange Act					X
31.3	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
32	Certification of the Chief Executive Officer, Executive Vice President – Accounting and Administration and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101	The following materials from our Quarterly Report on Form 10–Q for the quarter ended March 31, 2012 formatted in eXtensible Business Reporting Language (“XBRL”): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Shareholders’ Equity, (iv) the Consolidated Statements of Cash Flows, and (v) notes to these consolidated financial statements					X

* Management contracts or compensation plans or arrangements in which trustees or executive officers are eligible to participate.

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST

/s/ George F. McKenzie

George F. McKenzie
President and Chief Executive Officer

/s/ Laura M. Franklin

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

/s/ William T. Camp

William T. Camp
Executive Vice President and Chief Financial Officer

DATE: May 7, 2012

WASHINGTON REAL ESTATE INVESTMENT TRUST
SHORT-TERM
INCENTIVE PLAN
(Effective January 1, 2012)

ARTICLE 1. INTRODUCTION

1.1 Purpose. The purposes of the Washington Real Estate Investment Trust Short-Term Incentive Plan (the "Plan") contained herein are to allow Washington Real Estate Investment Trust (the "Trust") to attract and retain talented executives, to provide incentives to executives to achieve certain performance targets, and to link executive compensation to shareholder results by rewarding competitive and superior performance. In furtherance of those purposes, the Plan is designed to provide short-term incentive compensation to officers of the Trust, the amount of which is dependent on the degree of attainment of certain performance goals of the Trust over one-year performance periods beginning on or after January 1, 2012.

1.2 Background. The Plan replaces the Short-Term Incentive Plan that became effective January 1, 2011 (the "Prior Plan") with respect to one-year performance periods beginning on or after January 1, 2012. The Prior Plan remains in effect with respect to the one-year performance period that began January 1, 2011.

1.3 Overview. Each award under the Plan is comprised fifty percent (50%) of cash and fifty percent (50%) of restricted common shares of the Trust, which restricted common shares will have a value equal to the cash component of the award. The restricted common shares component is comprised of a service-based portion with a common share value equal to fifteen percent (15%) of the participant's annual base salary (the service-based restricted shares) and an additional performance-based portion (the performance-based restricted shares). The cash and the performance-based restricted shares are each initially expressed as a dollar amount that is a multiple of the participant's annual base salary, which multiple varies depending on the participant's job position and the degree of achievement of the performance goals over the one-year performance period under the Plan. The cash component of the award is paid following completion of the one-year performance period. The dollar amount attributable to the performance-based restricted shares is converted into a number of restricted common shares. The service-based restricted shares are subject to a ratable vesting schedule that normally runs for three years from the first day of the one-year performance period, and the performance-based restricted shares are subject to a ratable vesting schedule that normally runs for three years from the January 1 following completion of the one-year performance period. Grants of restricted common shares under the Plan are made pursuant to and from the common share reserve established under the Trust's 2007 Omnibus Long-Term Incentive Plan.

1.4 Effective Date. This Plan is effective as of January 1, 2012 (the "Effective Date"), and was approved by the Compensation Committee of the Board of Trustees of the Trust (the "Committee") and by the Board of Trustees of the Trust (the "Board") on February 15, 2012.

ARTICLE II. DEFINITIONS

2.1 "Award" means an award of cash and Common Shares subject to vesting under the Plan.

2.2 "Cause" means

(a) commission by the Participant of a felony or crime of moral turpitude;

(b) conduct by the Participant in the performance of the Participant's duties to the Trust which is illegal, dishonest, fraudulent or disloyal;

(c) the breach by the Participant of any fiduciary duty the Participant owes to the Trust; or

(d) gross neglect of duty which is not cured by the Participant to the reasonable satisfaction of the Trust within thirty (30) days of the Participant's receipt of written notice from the Trust advising the Participant of said gross neglect.

2.3 "Change in Control" means an event or occurrence set forth in any one or more of subsections (a) through (d) below (including any event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection):

(a) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership of any shares of beneficial interest in the Trust if, after such acquisition, such Person beneficially owns (within the meaning of rule 13d-3 promulgated under the Exchange Act) forty percent (40%) or more of either (1) the then-outstanding shares of beneficial interest in the Trust (the "Outstanding Trust Shares") or (2) the combined voting power of the then-outstanding shares of beneficial interest the Trust entitled to vote generally in the election of trustees (the "Outstanding Trust Voting Shares "); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Trust or any corporation controlled by the Trust, or (B) any acquisition by any corporation pursuant to a transaction which complies with clauses (1) and (2) of subsection (c) of this Section; or

(b) such time as the Continuing Trustees (as defined below) do not constitute a majority of the Board (or, if applicable, the board of directors or trustees of a successor corporation or other entity to the Trust), where the term "Continuing Trustee" means at any date a member of the Board (1) who was a member of the Board on the date hereof or (2) who was nominated or elected subsequent to the date hereof with the approval of other Board members who themselves constitute Continuing Trustees at the time of such nomination or election; provided, however, that there shall be excluded from this clause (2) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of trustees or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(c) the consummation of a merger, consolidation, reorganization, recapitalization or statutory share exchange involving the Trust or a sale or other disposition of all or substantially all of the assets of the Trust in one or a series of transactions (a "Business Combination"), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (1) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Trust Shares and Outstanding Trust Voting Shares immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of beneficial interest or stock, as the case may be, and the combined voting power of the then-outstanding shares or stock, as the case may be, entitled to vote generally in the election of trustees, or directors, as the case may be, respectively, of the resulting or acquiring corporation or other entity in such Business Combination (which shall include, without limitation, a corporation or other entity which as a result of such transaction owns the Trust or substantially all of the Trust's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation or other entity referred to herein as the "Acquiring Entity") in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Trust Shares and Outstanding Trust Voting Shares, respectively; and (2) no Person (excluding the Acquiring Entity or any employee benefit plan (or related trust) maintained or sponsored by the Trust or by the Acquiring Entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of beneficial interest or stock, as the case may be, of the Acquiring Entity, or of the combined voting power of the then-outstanding shares of such corporation or other entity entitled to vote generally in the election of trustees or directors, as the case may be; or

(d) a liquidation or dissolution of the Trust.

Notwithstanding the foregoing, no Change in Control shall be deemed to have occurred unless the event also constitutes a "change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Section 409A(a)(2)(v) of the Internal Revenue Code.

2.4 "Common Shares" means common shares of the Trust.

2.5 "Core FAD" means core funds available for distribution of the Trust for the Performance Period, as adjusted and calculated in accordance with the Trust's accounting principles.

2.6 "Core FFO" means core funds from operations of the Trust for the Performance Period, as adjusted and calculated in accordance with the Trust's accounting principles.

2.7 "Disability" means any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, as a result of which the Participant is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Trust. The determination of whether the Participant's physical or mental impairment satisfies the conditions set forth in this Section shall be made under a disability insurance program covering employees of the Trust; provided, however, that if the Participant is determined to be totally disabled by the Social Security Administration, his physical or mental impairment shall be deemed to satisfy the conditions of this Section.

2.8 "Good Reason" means the occurrence of an event listed in Subsection (a), (b) or (c) below:

(a) the Trust materially diminishes the Participant's job responsibilities such that the Participant would no longer have responsibilities substantially equivalent to those of other officers holding an equivalent job position to that held by the Participant before the diminution at companies with similar revenues and market capitalization;

(b) the Trust reduces the Participant's annual base salary (except for a reduction that is a uniform percentage of annual base salary for each officer of the Trust and does not exceed ten percent (10%) of annual base salary) or annual bonus opportunity at high, target or threshold performance as a percentage of annual base salary; or

(c) the Trust requires the Participant to relocate the Participant's primary place of employment to a new location that is more than fifty (50) miles from its current location (determined using the most direct driving route), without the Participant's consent;

provided however, as to each event in Subsection (a), (b) or (c),

(i) the Participant gives written notice to the Trust within thirty (30) days following the event or receipt of notice of the event of his objection to the event;

(ii) the Trust fails to remedy the event within thirty (30) days following the Participant's written notice; and

(iii) the Participant terminates his employment within thirty (30) days following the Trust's failure to remedy the event.

2.9 "Participant" means a person who participates in the Plan pursuant to Section 3.1.

2.10 "Performance Period" means the period from and including January 1 through the earlier of December 31 of that year or the date of a Change in Control.

2.11 "Retire" means a Participant resigns upon or after reaching (a) age 55 and being employed by the Trust for at least twenty (20) years, or (b) age 65.

2.12 "Same Store NOI Growth" means the growth in same store net operating income of the Trust for the Performance Period as compared to the prior Performance Period, as adjusted and calculated in accordance with the Trust's accounting principles.

ARTICLE III. ELIGIBILITY AND ADMINISTRATION

3.1 Eligibility. Officers of the Trust who are employees of the Trust as of the first day of the Performance Period shall be the initial Participants. The Committee may designate additional employees as Participants during the Performance Period. If the Committee adds Participants after the first day of the Performance Period, the Participant's Award opportunity will be as established by the Committee by written notice to the Participant in lieu of the level specified in Section 4.1. Unless otherwise specified by the Committee, the Award for any Participant who is not a Participant on the first day of the Performance Period shall be prorated in the proportion that the number of days the Participant is employed by the Trust during the Performance Period bears to the number of days in the Performance Period. Once a person becomes a Participant in the Plan, the Participant shall remain a Participant until any Award payable hereunder has been paid and is vested or forfeited.

3.2 Administration. The Plan shall be administered by the Committee, which shall have discretionary authority to interpret and make all determinations relating to the Plan. Any interpretation or determination by the Committee shall be binding on all parties.

ARTCLE IV. AWARDS

4.1 Award Opportunity. Each Participant's total Award under the Plan with respect to a Performance Period shall be divided into a cash component and a restricted Common Shares component, each of which shall initially be stated as a percentage of the Participant's annual base salary determined as of the first day of that Performance Period, which percentage shall depend upon the Participant's position and (except as to the service-based restricted shares component shown in the table below) the degree of achievement of threshold, target, and high performance goals for the Performance Period as set forth in the table below:

		Cash Component (50%)			Restricted Share Component (50%)		
		Threshold	*Target*	*High*	*Threshold*	*Target*	*High*
President and Chief Executive Officer	*Performance-based*	58%	113%	195%	43%	98%	180%
	Service-based	0%	0%	0%	15%	15%	15%
Executive Vice President	*Performance-based*	48%	93%	160%	33%	78%	145%
	Service-based	0%	0%	0%	15%	15%	15%
Senior Vice President	*Performance-based*	35%	65%	115%	20%	50%	100%
	Service-based	0%	0%	0%	15%	15%	15%
Managing Director	*Performance-based*	25%	50%	88%	10%	35%	73%
	Service-based	0%	0%	0%	15%	15%	15%

4.2 Performance Goals. The initial performance goals under the Plan are, and are weighted, as follows:

(a) Aggregate financial performance goal (60% weighting in the aggregate and not 20% per metric), comprised of the following performance metrics:

(i) Core FFO per share;

(ii) Core FAD per share; and

(iii) Same Store NOI Growth; and

(b) Strategic acquisition/disposition activity goal (20% weighting); and

(c) Individual objectives goal (20% weighting).

The Committee shall establish guideline expectations for each performance metric comprising the aggregate financial performance goal for each Performance Period, but shall not establish specific threshold, target or high performance levels for such performance metrics. Upon or following completion of the Performance Period, (1) the degree of achievement of the aggregate financial performance goal shall be determined by the Committee in its discretion (taking into account absolute performance, performance relative to other companies in the industry, the challenges faced by the Trust and/or the positive external circumstances that may have beneficially impacted the Trust's performance, input from the Board and a written presentation on satisfaction of such aggregate financial performance goal to be provided by the Chief Executive Officer), and (2) the Committee shall evaluate the degree of achievement of the aggregate financial performance goal on a scale of below 1 (below threshold), 1 (threshold), 2 (target) or 3 (high) or any fractional number between 1 and 3. If the Committee determines that the degree of achievement of the aggregate financial performance goal performance is a fractional number between 1 and 3, the portion of the Award that is dependent upon the aggregate financial performance goal shall be determined by linear interpolation. If the degree of achievement of the aggregate financial performance goal falls below threshold, the portion of the Award that is dependent on the aggregate financial performance goal shall not be paid.

Upon or following completion of the Performance Period, (1) the degree of achievement of the strategic acquisition/disposition activity goal shall be determined by the Committee in its discretion (taking into account input from the Board and a written presentation to be provided by the Chief Executive Officer) and (2) the Committee shall evaluate the degree of achievement of the strategic acquisition/disposition activity goal on a scale of below 1 (below threshold), 1 (threshold), 2 (target) or 3 (high) or any fractional number between 1 and 3. If the Committee determines that the degree of achievement of the strategic acquisition/disposition activity goal is a fractional number between 1 and 3, the portion of the Award that is dependent upon the strategic acquisition/disposition activity goal shall be determined by linear interpolation. If the degree of achievement of the strategic acquisition/disposition activity goal falls below threshold, the portion of the Award that is dependent on the strategic acquisition/disposition activity goal shall not be paid.

Upon or following completion of the Performance Period, (1) the degree of achievement of the individual objectives goal shall be determined by the Committee in its discretion with respect to the Chief Executive Officer, and by the Chief Executive Officer or other immediate supervisor in his or her discretion with respect to all other Participants (subject to final approval by the Committee), and (2) the Committee shall evaluate the degree of achievement of the individual objectives goal on a scale of below 1 (below threshold), 1 (threshold), 2 (target) or 3 (high) or any fractional number between 1 and 3. If the Committee determines that the degree of achievement of the individual objectives goal is a fractional number between 1 and 3, the portion of the Award that is dependent upon the individual objectives goal shall be determined by linear interpolation. If the degree of achievement of the individual objectives goal falls below threshold, the portion of the Award that is dependent on the individual objectives goal shall not be paid.

While the aggregate financial performance goal, the strategic acquisition/disposition activity goal and the individual objectives goal shall apply as of the Effective Date, such goals shall be re-evaluated by the Committee (taking into account input from the Chief Executive Officer and the Board) on an annual basis as to their appropriateness for use with respect to the 2013 Performance Period and subsequent Performance Periods under the Plan based on potential future changes in the Trust's business goals and strategy. Any modification to the performance goals shall be approved by the Committee and the Board no later than the first ninety (90) days of the Performance Period in which the modification is to take effect.

4.3 Eligibility for, Timing and Form of Payment of Award. Except as provided in Section 4.3(d) or Sections 4.4 through 4.6, the Participant must be employed by the Trust on the last day of the Performance Period to receive an Award, and the Award shall be paid as follows:

(a) Upon or following the end of the Performance Period, the dollar amount payable in cash and the dollar amount payable in restricted Common Shares pursuant to Sections 4.1 and 4.2 shall be determined for each Participant;

(b) The dollar amount payable in cash for each Participant shall be paid in the year following the Performance Period but no later than the fifteenth day of the third month following the end of the Performance Period (except to the extent that the Participant has made an election to defer the Award pursuant to Section 4.8);

(c) The dollar amount payable in restricted Common Shares for each Participant shall be divided into the service-based component (in an amount equal to fifteen percent (15%) of the Participant's annual base salary as provided in Section 4.1) and the performance-based component.

(1) The service-based component shall be converted into a number of Common Shares by dividing the dollar amount by the closing price per Common Share on January 1 of the Performance Period (or if such January 1 is not a trading day, the first trading day preceding such January 1) on the exchange on which Common Shares are traded (the "Service-Based Restricted Shares").

(2) The performance-based component shall be converted into a number of Common Shares by dividing the dollar amount by the closing price per Common Share on the January 1 following the Performance Period (or if such January 1 is not a trading day, the first trading day preceding such January 1) on the exchange on which Common Shares are traded (the "Performance-Based Restricted Shares"); and

(d) (1) The Service-Based Restricted Shares shall be issued as of the first day of the Performance Period (or as of the date of adoption of the Plan in the case of the 2012 Performance Period) and shall be subject to vesting as provided in Section 4.4(a).

(2) The Performance-Based Restricted Shares shall be issued in the year following the Performance Period by no later than the fifteenth day of the third month following the end of the Performance Period and shall be subject to vesting as described in Section 4.4(b).

All such Common Shares shall be awarded under and in accordance with the Trust's 2007 Omnibus Long Term Incentive Plan.

4.4 Common Shares subject to Vesting.

(a) The Service-Based Restricted Shares shall vest (1) as to one-third of the shares on the last day of the Performance Period and to an additional one-third of the shares on each of the two subsequent anniversaries thereof, subject to the Participant remaining employed by the Trust through the applicable vesting date, or (2) as to all of the shares, if during the period from the first day of the Performance Period through the second anniversary of the last day of the Performance Period, the Participant's employment is terminated by the Trust without Cause, or the Participant resigns for Good Reason, Retires, dies or becomes subject to a Disability while employed by the Trust, or a Change in Control occurs while the Participant is employed by the Trust.

(b) The Performance-Based Restricted Shares shall vest (1) as to one-third of the shares on each of the first three anniversaries of the last day of the Performance Period, subject to the Participant remaining employed by the Trust through the applicable vesting date, (2) as to all of the shares, if during the period from the last day of the Performance Period through the third anniversary of the last day of the Performance Period, the Participant's employment is terminated by the Trust without Cause, or the Participant resigns for Good Reason, Retires, dies or becomes subject to a Disability while employed by the Trust, or a Change in Control occurs while the Participant is employed by the Trust, or (3) if, and to the extent determined under Section 4.5 or 4.6, if applicable.

4.5 Qualifying Termination during the Performance Period. If during the Performance Period, the Participant's employment is terminated by the Trust without Cause, or the Participant resigns with Good Reason, Retires, dies or becomes subject to a Disability while employed by the Trust, the Participant shall receive an Award calculated based on the actual levels of achievement of the performance goals for the entire Performance Period, but the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the date the Participant ceases to be an employee of the Trust bears to the total number of days in the Performance Period. In such event, the Performance-Based Restricted Shares issued to the Participant with respect to such Performance Period shall be fully vested. Notwithstanding the foregoing, this Section shall not apply to the Service-Based Restricted Shares (and Section 4.4(a)(2) shall instead be applicable).

4.6 Change in Control during the Performance Period. If a Change in Control occurs while the Participant is employed by the Trust during the Performance Period, the Participant shall receive an Award calculated based on the actual levels of achievement of the prorated performance goals as of the date of the Change in Control, but the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the date of the Change in Control bears to 365. In such event, the Performance-Based Restricted Shares issued to the Participant with respect to such Performance Period shall be fully vested and the number of shares shall be calculated based on the closing price per Common Share on the exchange on which Common Shares are traded on the trading day coinciding with (or if that is not a trading day, immediately preceding) the date of the Change in Control, or if Common Shares are no longer traded on an exchange as of such date, based on the value determined by the Committee in its reasonable discretion based on the actual or implied price paid in the Change in Control transaction. The Award shall be issued on the date of the Change in Control. Notwithstanding the foregoing, this Section shall not apply to the Service-Based Restricted Shares (and Section 4.4(a)(2) shall instead be applicable).

4.7 Forfeiture. Except as otherwise provided in this Article, any Award that is not vested as of the earlier of termination of employment or the second anniversary of the last day of the Performance Period in the case of the Service-Based Restricted Shares, or the third anniversary of the last day of the Performance Period in the case of the Performance-Based Restricted Shares, shall be forfeited.

4.8 Deferral Election as to Cash Portion of Award. Each Participant who is eligible under the Trust's Deferred Compensation Plan for Officers (the "DCP") may elect to defer the cash portion of the Award, to the extent permitted under the DCP, by making a timely deferral election under the DCP. Elections must be made by December 15 of the year prior to the Performance Period, unless otherwise permitted by the DCP. If a Participant makes deferral election, the deferral will be converted into restricted share units and held pursuant to the DCP. The deferred restricted share units will be matched twenty-five percent (25%) by the Trust in accordance with the terms of the DCP.

ARTICLE V. MISCELLANEOUS

5.1 Dividends on Unvested Shares. Dividends declared with respect to unvested Common Shares shall be paid currently.

5.2 Payroll Withholding on Cash Portion of Award. The cash portion of the Award shall be reduced by all required tax withholding and all other applicable payroll deductions.

5.3 Tax Withholding on Common Shares Portion of Award. In order to satisfy applicable tax withholding, the portion of the Award payable in Common Shares shall be reduced by that whole number of vested Common Shares which have a value equal to the minimum amount of the required tax obligations imposed on the Trust, and to the extent any remainder of the required tax withholding remains unsatisfied because no fraction of a Common Share is reduced, the Trust shall deduct the remainder from other cash payable to the Participant or if no cash is payable to the Participant, the Trust may require the Participant to remit the remainder.

5.4 Restrictions on Transfer. Except for the transfer by bequest or inheritance, the Participant shall not have the right to make or permit to exist any transfer or hypothecation, whether outright or as security, with or without consideration, voluntary or involuntary, of all or any part of any right, title or interest in or to an Award until such date as, and only to the extent that, cash has been paid or vested shares have been issued. Any such disposition not made in accordance with this Plan shall be deemed null and void. Any permitted transferee under this Section shall be bound by the terms of this Plan.

5.5 Change in Capitalization. The number and kind of shares issuable under this Plan shall be subject to adjustment pursuant to the provisions of the Trust's 2007 Omnibus Long-Term Incentive Plan.

5.6 Successors. This Plan shall be binding upon and inure to the benefit of the heirs, legal representatives, successors, and permitted assigns of the parties.

5.7 Notice. Except as otherwise specified herein, all notices and other communications under this Plan shall be in writing and shall be deemed to have been given if personally delivered or if sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the proposed recipient at the last known address of the recipient. Any party may designate any other address to which notices shall be sent by giving notice of the address to the other parties in the same manner as provided herein.

5.8 Severability. In the event that any one or more of the provisions or portion thereof contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the same shall not invalidate or otherwise affect any other provisions of this Plan, and this Plan shall be construed as if the invalid, illegal or unenforceable provision or portion thereof had never been contained herein.

5.9 No Right to Continued Retention. Neither the establishment of the Plan nor the Award hereunder shall be construed as giving any Participant the right to continued service with the Trust.

5.10 Interpretation and IRC Section 409A. Section headings used herein are for convenience of reference only and shall not be considered in construing this Plan. Sections 1.1 through 1.3 are intended to introduce and summarize the Plan only and shall not apply for purposes of determining a Participant's rights under the Plan. Termination of employment under the Plan shall be considered to have occurred for purposes of Sections 4.4 and 4.5 only if the Participant has a termination of employment that constitutes a "separation from service" within the meaning of Section 409A of the Internal Revenue Code. Awards under the Plan that are not deferred under the DCP are intended to be exempt from Section 409A as "short-term deferrals" within the meaning of the Treasury Regulations under Section 409A, but in any event Awards under the Plan are payable on a specified date or upon a Change in Control in compliance with Section 409A, and the Plan shall be interpreted in a manner to be exempt from or otherwise in compliance with Section 409A.

5.11 Amendment and Termination of the Plan. The Committee reserves the right to amend or terminate the Plan at any time, provided that no amendment shall deprive a Participant of any Award that is earned up to the date of the amendment or termination or result in the acceleration of any award payable under the Plan if such acceleration would result in any Participants incurring a tax under Section 409A of the Internal Revenue Code.

5.12 Governing Laws. The laws of the State of Maryland shall govern the Plan, to the extent not preempted by federal law, without reference to the principles of conflict of laws; provided, however, no Common Shares shall be issued except, in the reasonable judgment of the Committee, in compliance with exemptions under applicable securities laws.

WASHINGTON REAL ESTATE INVESTMENT TRUST

By: /s/ Laura M. Franklin

Title: Executive Vice President - Accounting and Administration

WASHINGTON REAL ESTATE INVESTMENT TRUST
Computation of Ratios
(In thousands)

Earnings to fixed charges ratio:

	Q1 2012	Q1 2011
Income from continuing operations	$ 5,181	$ 2,119
Additions:		
Fixed charges		
Interest expense	15,895	16,893
Capitalized interest	425	83
	16,320	16,976
Deductions:		
Capitalized interest	(425)	(83)
Net income attributable to noncontrolling interests	—	(23)
Adjusted earnings	$ 21,076	$ 18,989
Fixed charges (from above)	$ 16,320	$ 16,976
Ratio of earnings to fixed charges	**1.29**	**1.12**

Debt service coverage ratio:

	Q1 2012	Q1 2011
Net income attributable to the controlling interests	$ 5,181	$ 4,665
Additions:		
Interest expense	15,895	17,126
Real estate depreciation and amortization	25,994	25,249
Income tax expense	13	—
Real estate impairment	—	599
Non-real estate depreciation	268	268
	42,170	43,242
Deductions:		
Loss on extinguishment of debt	—	—
Gain on sale of real estate	—	—
Adjusted EBITDA	$ 47,351	$ 47,907
Debt service		
Interest expense	$ 15,895	$ 17,126
Principal amortization	1,453	1,005
	$ 17,348	$ 18,131
Debt service coverage ratio	**2.73**	**2.64**

Exhibit 31.1

CERTIFICATION

I, George F. McKenzie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 7, 2012

/s/ George F. McKenzie

George F. McKenzie

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Laura M. Franklin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 7, 2012

/s/ Laura M. Franklin

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

Exhibit 31.3

CERTIFICATION

I, William T. Camp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 7, 2012

/s/ William T. Camp

William T. Camp
Chief Financial Officer

Exhibit 32

WRITTEN STATEMENT OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the President and Chief Executive Officer, the Executive Vice President Accounting, Administration and Corporate Secretary, and the Chief Financial Officer of Washington Real Estate Investment Trust ("WRIT"), each hereby certifies on the date hereof, that:

(a) the Quarterly Report on Form 10-Q for the quarter endedMarch 31, 2012 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of WRIT.

DATE: May 7, 2012	/s/ George F. McKenzie
	George F. McKenzie Chief Executive Officer
DATE: May 7, 2012	/s/ Laura M. Franklin
	Laura M. Franklin Executive Vice President Accounting, Administration and Corporate Secretary
DATE: May 7, 2012	/s/ William T. Camp
	William T. Camp Chief Financial Officer