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Washington Real Estate Investment Trust Acquires Gateway Overlook Shopping Center for $88.35 Million

ROCKVILLE, Md.--(BUSINESS WIRE)-- Washington Real Estate Investment Trust (WRIT) (NYSE: WRE) has acquired a 214,281 square foot Class A shopping center in Columbia, Maryland for $88.35 million.

Gateway Overlook is a 528,350 square foot premier retail center anchored by Costco and Lowe's Home Improvement. WRIT purchased 214,281 square feet of the center which excludes the Costco and Lowe's parcels. The property, built in 2007, is located immediately off of I-95 at the intersection of Little Patuxent Parkway/Route 175 and Waterloo Road/Route 108 in Columbia, Howard County, Maryland. The property is 90% leased to 21 tenants, including national retailers Trader Joe's, Best Buy and Office Depot, as well as Wachovia Bank and Capital One Bank.

WRIT anticipates that Gateway Overlook will benefit from significant job growth projected in the area as a result of Base Realignment and Closure (BRAC) relocating 22,000 new jobs to nearby Fort Meade between 2012 and 2014. Fort Meade is located approximately five miles southeast of Gateway Overlook.

WRIT funded the acquisition using available cash and its line of credit. WRIT expects to achieve a first year unleveraged yield of 6.9% on a cash basis.

"Gateway Overlook offers a rare opportunity for WRIT to invest in a superior quality retail center in an excellent location with strong demographics. We believe there is upside potential by leasing the vacant space as well as the benefit of population growth in the area surrounding Fort Meade as the BRAC initiative continues," said George "Skip" McKenzie, President and Chief Executive Officer of WRIT.

WRIT is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the greater Washington metro region. WRIT owns a diversified portfolio of 89 properties totaling approximately 11 million square feet of commercial space and 2,540 residential units. These 89 properties consist of 26 office properties, 19 industrial/flex properties, 18 medical office properties, 15 retail centers, 11 multifamily properties and land for development. WRIT shares are publicly traded on the New York Stock Exchange (NYSE:WRE).

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, the effect of the current credit and financial market conditions, the availability and cost of capital,

fluctuations in interest rates, tenants' financial conditions, the timing and pricing of lease transactions, levels of competition, the effect of government regulation, the impact of newly adopted accounting principles, changes in general and local economic and real estate market conditions, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2009 Form 10-K and third quarter 2010 10-Q. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Source: Washington Real Estate Investment Trust (WRIT)