January 11, 2011

Washington Real Estate Investment Trust Acquires 1140 Connecticut Avenue, NW and Enters Contract to Purchase 1227 25th Street, NW

ROCKVILLE, Md.--(BUSINESS WIRE)-- Washington Real Estate Investment Trust (WRIT) (NYSE: WRE) has acquired 1140 Connecticut Avenue, NW, a twelve story, 184,135 square foot office building with a three level parking garage in Washington, DC, for $80.25 million. WRIT has also entered into a contract to purchase 1227 25th Street, NW, an eight story, 130,434 square foot office building with a two level parking garage in Washington, DC, for $47.0 million. WRIT anticipates closing on 1227 25th Street within 90 days.

1140 Connecticut Avenue is 99% leased to 25 office tenants and four retail tenants. It is located near the intersection of Connecticut Avenue and M Street in the heart of Washington's "Golden Triangle" Central Business District, less than one block from the Farragut North Metro Station (Red Line) and two blocks from the Farragut West Metro Station (Blue and Orange Lines). WRIT funded this acquisition using available cash and its line of credit. WRIT expects to achieve a first year unleveraged yield of 6.0% on a cash basis.

1227 25th Street is 72% leased to the GSA and law firm tenants. It is located near the corner of 25th and M Streets in Washington's West End submarket, immediately adjacent to WRIT's 2445 M Street office building acquired in 2008. WRIT also plans to fund this acquisition using available cash and its line of credit. WRIT projects a stabilized cash yield of 8.7%.

"Today we continue our stated strategy of acquiring well located assets inside the Beltway in two of Washington's major business districts. The purchase price for each building is well below replacement cost. 1140 Connecticut is located in the heart of Washington's CBD and has leases in place with rents below current market. 1227 25th Street is located adjacent to our 2445 M Street building, providing operating synergies as well as the ability to provide valuable expansion space to our tenants. Coupling these acquisitions with our recent dispositions enhances the location and quality of our overall portfolio," 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 86 properties totaling approximately 11 million square feet of commercial space and 2,540 residential units. These 86 properties consist of 26 office properties, 16 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