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Washington Real Estate Investment Trust Announces Joint Venture to Develop Apartment Community in Arlington, Virginia

ROCKVILLE, Md.--(BUSINESS WIRE)-- Washington Real Estate Investment Trust (WRIT) (NYSE: WRE) has entered into a joint venture with Crimson Partners to develop a six-story, 150 unit mid-rise apartment community in Arlington, Virginia.

The joint venture recently purchased the proposed development site, which is approximately 37,000 square feet and located at the corner of North Glebe Road and North Carlin Springs Road, across the street from Ballston Common Mall and within walking distance of the Ballston Metro Station and one of the busiest Harris Teeter grocery stores in the metro region. The total cost of the project is estimated to be $43.5 million, with a projected stabilized return on cost between 7.0-8.0%. WRIT will be a 90% owner of the joint venture. Crimson Partners will be a 10% owner and responsible for the development, construction and lease-up of the property, with WRIT having management and leasing responsibilities. Construction is projected to commence in second quarter 2012 and will last approximately 15-18 months.

"The Ballston submarket has consistently proven to be one of the strongest in our region among all property types, year in and year out. This neighborhood is a vibrant, urban environment with a strong amenity base of restaurants, entertainment and retailers alongside office buildings and transit, making it a prime location for renters. This transaction fits well into our stated strategy of owning high quality properties in infill locations and we look forward to seeing it to completion," said George F. "Skip" McKenzie, President and Chief Executive Officer.

"We are very excited about the future ground breaking for this project. We identified this site nearly three years ago and have been working to prepare it for redevelopment, changing its use to multifamily. We are excited to have WRIT join us as our partner to see the project through completion. Together we form a very strong team with years of expertise developing, owning and operating multifamily facilities throughout the Washington DC area," remarked Christian Chambers, partner with Crimson Partners.

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, and land held for development. These 86 properties consist of 26 office properties, 16 industrial/flex properties, 18 medical office properties, 15 retail centers and 11 multifamily properties. WRIT shares are publicly traded on the New York Stock Exchange (NYSE:WRE).

Crimson Partners, started in 1991, is a real estate development and investment firm, specializing in land, adaptive reuse, speculative and build-to-suit commercial, residential and industrial projects. The firm is dedicated to delivering high quality, sustainable environments and superior management to its institutional and private sector clients and investors. Crimson Partners has successfully acquired and developed office, residential and industrial commercial real estate with a value in excess of $1.2 billion dollars over the last 20 years.

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 potential for federal government budget reductions, changes in general and local economic and real estate market conditions, the timing and pricing of lease transactions, the effect of the current credit and financial market conditions, the availability and cost of capital, fluctuations in interest rates, tenants' financial conditions, levels of competition, the effect of government regulation, the impact of newly adopted accounting principles, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2010 Form 10-K and first quarter 2011 Form 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