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

ROCKVILLE, Md.--(BUSINESS WIRE)-- Washington Real Estate Investment Trust (WRIT) (NYSE: WRE) has entered into a joint venture with Trammell Crow Company to develop a 15-story, 270 unit high-rise apartment community in Alexandria, Virginia.

The joint venture recently purchased the proposed development site, a one-acre parcel located at the northwest quadrant of the intersection of First and Fayette Streets in Old Town Alexandria, Virginia. The project is within walking distance of the Braddock Road Metro Station and is in close proximity to Braddock Metro Center, the 345,000 square foot office campus purchased by WRIT in September 2011.

The total cost of the project is estimated to be $95.0 million, with a projected stabilized return on cost between 7.0-8.0%. WRIT is the equity partner and will contribute 95% of the required equity, and Trammell Crow will be sponsor/developer and will contribute 5% of the required equity. Construction is expected to commence in fourth quarter 2012 and will take approximately 24 months to complete. Stabilization is estimated by first quarter 2016.

“This development presents an excellent opportunity to expand our apartment portfolio in a growing submarket. The Braddock Metro Neighborhood Plan is bringing renewed focus to the area, with several blocks of new apartment, townhouse, condominium, office and retail development underway with additional development planned in the coming years. Our project will be marketed to young professionals wishing to reside in a mixed-use, transit oriented environment with a strong amenity base. Combined with our previously announced 160-unit 650 North Glebe development in Ballston, our apartment development pipeline will add 430 Class A units to our portfolio, allowing us to take advantage of the high demand and low vacancy forecasted over the next several years,” said George F. “Skip” McKenzie, President and Chief Executive Officer.

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 71 properties totaling approximately 9 million square feet of commercial space and 2,540 residential units, and land held for development. These 71 properties consist of 26 office properties, 18 medical office properties, 16 retail centers and 11 multifamily properties. 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 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 third quarter 2011 Form 10-Q. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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