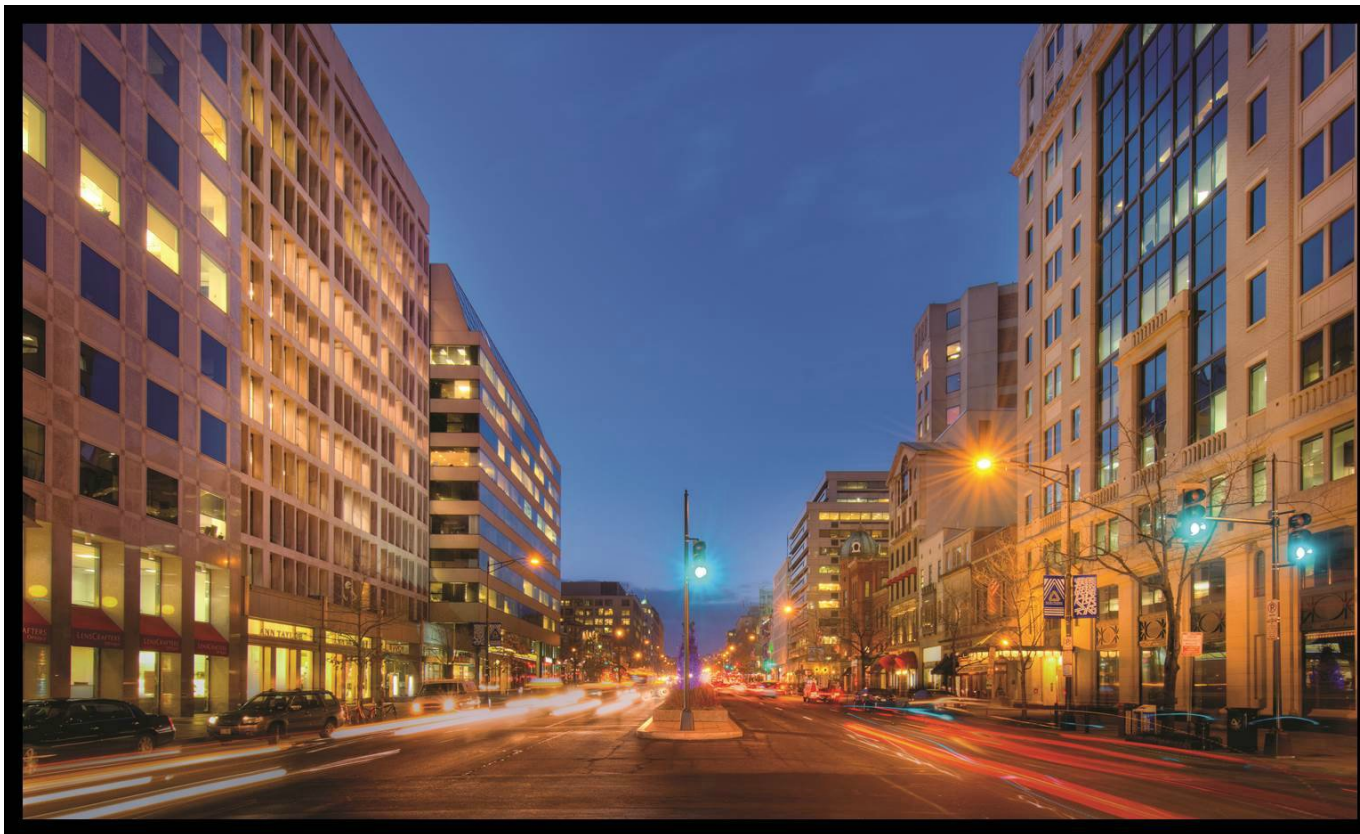


Washington Real Estate Investment Trust

First Quarter 2016



Supplemental Operating and Financial Data

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Company Background and Highlights

First Quarter 2016

Washington Real Estate Investment Trust ("Washington REIT") is a self-administered equity real estate investment trust investing in income-producing properties in the greater Washington, DC region. Washington REIT has a diversified portfolio with investments in office, retail, and multifamily properties and land for development.

First Quarter 2016 Highlights

- Generated Core Funds from Operations (FFO) of \$0.42 per fully diluted share for the first quarter, a 10.5% or \$0.04 increase over first quarter of 2015
- Achieved same-store Net Operating Income (NOI) growth of 2.5%, with same-store rental growth of 2.7%, over first quarter 2015
- Improved overall portfolio physical occupancy to 90.6%, 110 basis points higher than first quarter of 2015 and 40 basis points higher than fourth quarter 2015
- Executed new and renewal commercial leases totaling 265,000 square feet at an average rental rate increase of 31.9% over in-place rents for new leases and an average rental rate increase of 16.0% over in-place rents for renewal leases
- Entered into contracts with an institutional buyer to sell all six of its suburban Maryland office assets for \$240 million and has one suburban Maryland multifamily asset to be placed on the market later this year
- Has an additional suburban office asset currently in the market and is evaluating investor interest
- Under contract to acquire Riverside Apartments, a 1,222 unit apartment community with potential to create value through the renovation of approximately 850 units and on-site density to develop approximately 550 additional units, for \$244.75 million
- Continues to plan to pay down approximately \$100 million of net debt this year
- Reaffirmed 2016 Core FFO guidance of \$1.70 - \$1.77 per fully diluted share

Of the 265,000 square feet of commercial leases signed, there were 44,000 square feet of new leases and 221,000 square feet of renewal leases. New leases had an average rental rate increase of 31.9% over expiring lease rates and a weighted average lease term of 8.3 years. Commercial tenant improvement costs were \$40.31 per square foot and leasing commissions and incentives were \$33.23 per square foot for new leases. Renewal leases had an average rental rate increase of 16.0% from expiring lease rates and a weighted average lease term of 7.6 years. Commercial tenant improvement costs were \$34.34 per square foot and leasing commissions and incentives were \$37.65 per square foot for renewal leases.

In the first quarter, Washington REIT prepaid without penalty a \$51.0 million 5.79% mortgage note on John Marshall II. The Company also purchased a \$32.2 million variable rate secured loan on The Maxwell from an outside lender. Washington REIT funded by cash and using proceeds from draws on its line of credit. The Company plans to net pay down approximately \$100 million of debt this year and to term out debt in the second half of the year.

As of March 31, 2016, Washington REIT owned a diversified portfolio of 54 properties, totaling approximately 7 million square feet of commercial space and 3,258 multifamily units, and land held for development. These 54 properties consist of 25 office properties, 16 retail centers and 13 multifamily properties. Washington REIT shares are publicly traded on the New York Stock Exchange (NYSE:WRE)

Net Operating Income Contribution by Sector - First Quarter 2016



Certain statements in our earnings release and on our conference call are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements in this earnings release preceded by, followed by or that include the words "believe," "expect," "intend," "anticipate," "potential," "project," "will" and other similar expressions. 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 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 2015 Form 10-K. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Supplemental Financial and Operating Data

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March 31, 2016

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Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
OPERATING RESULTS					
Real estate rental revenue	\$ 77,137	\$ 79,102	\$ 78,243	\$ 74,226	\$ 74,856
Real estate expenses	(28,734)	(27,688)	(28,109)	(27,229)	(29,208)
	48,403	51,414	50,134	46,997	45,648
Real estate depreciation and amortization	(26,038)	(28,808)	(29,349)	(25,503)	(25,275)
Income from real estate	22,365	22,606	20,785	21,494	20,373
Interest expense	(14,360)	(15,012)	(14,486)	(14,700)	(15,348)
Other income	39	162	163	192	192
Acquisition costs	(154)	(119)	(929)	(992)	(16)
Real estate impairment	—	—	—	(5,909)	—
Gain on sale of real estate	—	59,376	—	1,454	30,277
Loss on extinguishment of debt	—	—	—	(119)	—
General and administrative	(5,511)	(4,918)	(4,953)	(4,306)	(6,080)
Net income (loss)	2,379	62,095	580	(2,886)	29,398
Less: Net loss from noncontrolling interests	5	38	67	340	108
Net income (loss) attributable to the controlling interests	\$ 2,384	\$ 62,133	\$ 647	\$ (2,546)	\$ 29,506
Per Share Data:					
Net income (loss)	\$ 0.03	\$ 0.91	\$ 0.01	\$ (0.04)	\$ 0.43
Fully diluted weighted average shares outstanding	68,488	68,371	68,305	68,176	68,191
Percentage of Revenues:					
Real estate expenses	37.3%	35.0%	35.9%	36.7 %	39.0%
General and administrative	7.1%	6.2%	6.3%	5.8 %	8.1%
Ratios:					
Adjusted EBITDA / Interest expense	3.0x	3.1x	3.2x	3.0x	2.7x
Income from continuing operations/Total real estate revenue	3.1%	78.5%	0.7%	(3.9)%	39.3%
Net income /Total real estate revenue	3.1%	78.5%	0.8%	(3.4)%	39.4%

Consolidated Balance Sheets

(In thousands)
(Unaudited)

	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Assets					
Land	\$ 561,256	\$ 561,256	\$ 572,880	\$ 542,654	\$ 543,247
Income producing property	2,095,306	2,076,541	2,074,425	1,966,612	1,932,908
	2,656,562	2,637,797	2,647,305	2,509,266	2,476,155
Accumulated depreciation and amortization	(714,689)	(692,608)	(677,480)	(670,103)	(649,279)
Net income producing property	1,941,873	1,945,189	1,969,825	1,839,163	1,826,876
Development in progress, including land held for development	27,313	36,094	35,256	35,314	65,656
Total real estate held for investment, net	1,969,186	1,981,283	2,005,081	1,874,477	1,892,532
Investment in real estate held for sale, net	—	—	5,010	—	—
Cash and cash equivalents	23,575	23,825	21,012	22,778	40,025
Restricted cash	9,889	13,383	12,544	13,705	13,095
Rents and other receivables, net of allowance for doubtful accounts	63,863	62,890	62,306	61,577	60,215
Prepaid expenses and other assets	118,790	109,787	117,167	112,852	112,165
Other assets related to properties sold or held for sale	—	—	278	—	—
Total assets	<u>\$ 2,185,303</u>	<u>\$ 2,191,168</u>	<u>\$ 2,223,398</u>	<u>\$ 2,085,389</u>	<u>\$ 2,118,032</u>
Liabilities					
Notes payable	\$ 743,475	\$ 743,181	\$ 742,971	\$ 593,755	\$ 743,477
Mortgage notes payable	333,853	418,052	418,400	418,637	417,906
Lines of credit	215,000	105,000	195,000	185,000	30,000
Accounts payable and other liabilities	56,348	45,367	54,131	50,281	65,447
Dividend Payable	—	20,434	—	—	—
Advance rents	11,589	12,744	10,766	13,733	14,471
Tenant security deposits	9,604	9,378	9,225	9,053	8,892
Liabilities related to properties sold or held for sale	—	—	329	—	—
Total liabilities	1,369,869	1,354,156	1,430,822	1,270,459	1,280,193
Equity					
Preferred shares; \$0.01 par value; 10,000 shares authorized	—	—	—	—	—
Shares of beneficial interest, \$0.01 par value; 100,000 shares authorized	683	682	682	682	681
Additional paid-in capital	1,193,750	1,193,298	1,192,202	1,191,594	1,191,123
Distributions in excess of net income	(376,041)	(357,781)	(399,421)	(379,577)	(356,531)
Accumulated other comprehensive loss	(4,225)	(550)	(2,288)	—	—
Total shareholders' equity	814,167	835,649	791,175	812,699	835,273
Noncontrolling interests in subsidiaries	1,267	1,363	1,401	2,231	2,566
Total equity	815,434	837,012	792,576	814,930	837,839
Total liabilities and equity	<u>\$ 2,185,303</u>	<u>\$ 2,191,168</u>	<u>\$ 2,223,398</u>	<u>\$ 2,085,389</u>	<u>\$ 2,118,032</u>
Total Debt / Total Market Capitalization	0.39:1	0.41:1	0.44:1	0.40:1	0.39:1

Funds from Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Funds from operations⁽¹⁾					
Net (loss) income	\$ 2,379	\$ 62,095	\$ 580	\$ (2,886)	\$ 29,398
Real estate depreciation and amortization	26,038	28,808	29,349	25,503	25,275
Gain on sale of depreciable real estate	—	(59,376)	—	—	(30,277)
NAREIT funds from operations (FFO)	28,417	31,527	29,929	22,617	24,396
Loss on extinguishment of debt	—	—	—	119	—
Real estate impairment	—	—	—	5,909	—
Loss (gain) on sale of non depreciable real estate	—	—	50	(1,454)	—
Severance expense	460	—	—	—	1,001
Relocation expense	—	—	—	26	64
Acquisition and structuring expenses	259	189	1,034	1,264	234
Core FFO⁽¹⁾	<u>\$ 29,136</u>	<u>\$ 31,716</u>	<u>\$ 31,013</u>	<u>\$ 28,481</u>	<u>\$ 25,695</u>
Allocation to participating securities ⁽²⁾	(90)	(180)	(47)	(80)	(108)
NAREIT FFO per share - basic	\$ 0.41	\$ 0.46	\$ 0.44	\$ 0.33	\$ 0.36
NAREIT FFO per share - fully diluted	\$ 0.41	\$ 0.46	\$ 0.44	\$ 0.33	\$ 0.36
Core FFO per share - fully diluted	\$ 0.42	\$ 0.46	\$ 0.45	\$ 0.42	\$ 0.38
Common dividend per share	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Average shares - basic	68,301	68,204	68,186	68,176	68,141
Average shares - fully diluted (for FFO and FAD)	68,488	68,371	68,305	68,375	68,191

⁽¹⁾ See "Supplemental Definitions" on page 27 of this supplemental for the definitions of FFO and Core FFO.

⁽²⁾ Adjustment to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS.

Funds Available for Distribution
(In thousands, except per share data)
(Unaudited)

	Three Months Ended				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Funds available for distribution⁽¹⁾					
NAREIT FFO	\$ 28,417	\$ 31,527	\$ 29,929	\$ 22,617	\$ 24,396
Non-cash loss on extinguishment of debt	—	—	—	119	—
Tenant improvements and incentives	(1,543)	(6,792)	(5,231)	(3,417)	(3,730)
Leasing commissions	(1,015)	(2,426)	(1,714)	(1,149)	(1,606)
Recurring capital improvements	(908)	(3,296)	(1,326)	(737)	(689)
Straight-line rent, net	(683)	(533)	(680)	(538)	407
Non-cash fair value interest expense	42	41	38	36	35
Non-real estate depreciation and amortization	950	980	938	1,123	938
Amortization of lease intangibles, net	943	925	913	970	768
Amortization and expensing of restricted share and unit compensation	1,519	1,123	863	1,195	1,826
Funds available for distribution (FAD)	27,722	21,549	23,730	20,219	22,345
Gain on sale of real estate	—	—	50	(1,454)	—
Non-share-based severance expense	39	—	—	—	196
Relocation expense	—	—	—	26	81
Acquisition and structuring expenses	259	189	1,034	1,264	234
Real estate impairment	—	—	—	5,909	—
Core FAD⁽¹⁾	\$ 28,020	\$ 21,738	\$ 24,814	\$ 25,964	\$ 22,856
Allocation to participating securities ⁽²⁾	(90)	(180)	(47)	(80)	(108)
FAD per share - basic	\$ 0.40	\$ 0.31	\$ 0.35	\$ 0.30	\$ 0.33
FAD per share - fully diluted	\$ 0.40	\$ 0.31	\$ 0.35	\$ 0.29	\$ 0.33
Core FAD per share - fully diluted	\$ 0.41	\$ 0.32	\$ 0.36	\$ 0.38	\$ 0.33
Common dividend per share	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Average shares - basic	68,301	68,204	68,186	68,176	68,141
Average shares - fully diluted (for FFO and FAD)	68,488	68,371	68,305	68,375	68,191

⁽¹⁾ See "Supplemental Definitions" on page 27 of this supplemental for the definitions of FAD and Core FAD.

⁽²⁾ Adjustment to the numerators for FAD and Core FAD per share calculations when applying the two-class method for calculating EPS.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
(In thousands)
(Unaudited)

	Three Months Ended				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Adjusted EBITDA ⁽¹⁾					
Net income (loss)	\$ 2,379	\$ 62,095	\$ 580	\$ (2,886)	\$ 29,398
Add:					
Interest expense	14,360	15,012	14,486	14,700	15,348
Real estate depreciation and amortization	26,038	28,808	29,349	25,503	25,275
Income tax expense	—	65	41	28	—
Real estate impairment	—	—	—	5,909	—
Non-real estate depreciation	152	149	168	178	103
Severance expense	460	—	—	—	1,001
Relocation expense	—	—	—	26	64
Acquisition and structuring expenses	259	189	1,034	1,264	234
Less:					
Net (gain) loss on sale of real estate	—	(59,376)	50	(1,454)	(30,277)
Loss on extinguishment of debt	—	—	—	119	—
Adjusted EBITDA	\$ 43,648	\$ 46,942	\$ 45,708	\$ 43,387	\$ 41,146

⁽¹⁾ Adjusted EBITDA is earnings before interest expense, taxes, depreciation, amortization, gain on sale of real estate, real estate impairment, gain/loss on extinguishment of debt, severance expense, relocation expense, acquisition and structuring expenses, gain from non-disposal activities and allocations to noncontrolling interests. We consider Adjusted EBITDA to be an appropriate supplemental performance measure because it permits investors to view income from operations without the effect of depreciation, and the cost of debt or non-operating gains and losses. Adjusted EBITDA is a non-GAAP measure.

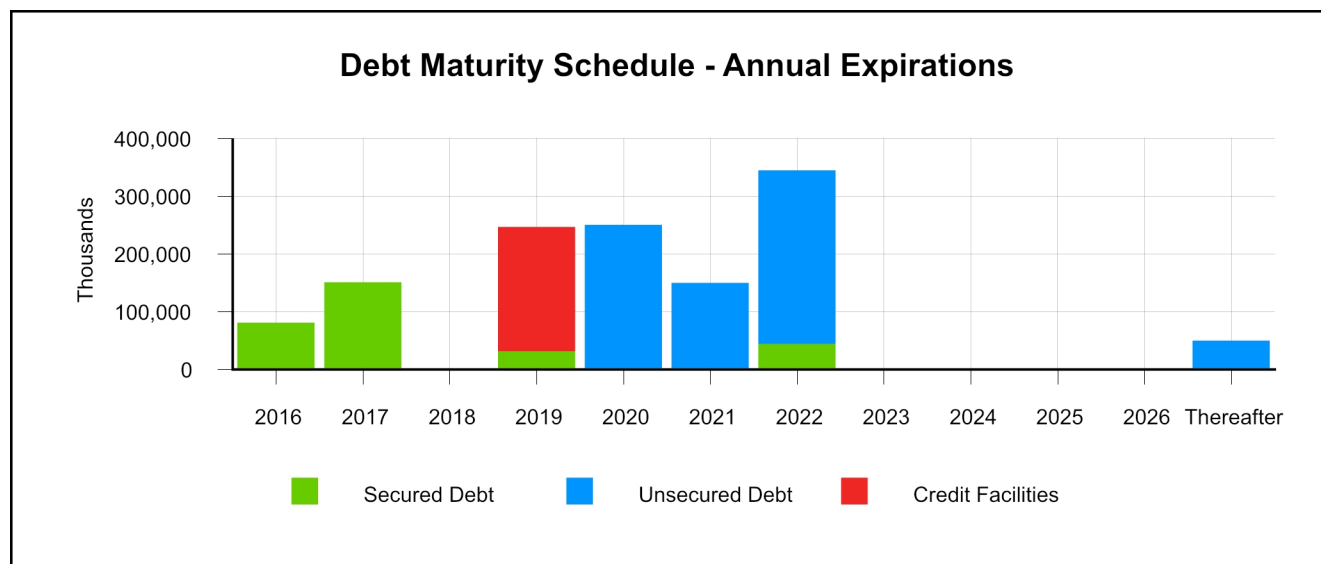
Long Term Debt Analysis
(\$'s in thousands)

	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Balances Outstanding					
Secured					
Conventional fixed rate	\$ 333,853	\$ 418,052	\$ 418,400	\$ 418,637	\$ 417,906
Unsecured					
Fixed rate bonds	594,411	594,164	594,002	593,755	743,477
Term loans	149,064	149,017	148,969	—	—
Credit facility	215,000	105,000	195,000	185,000	30,000
Unsecured total	958,475	848,181	937,971	778,755	773,477
Total	<u>\$ 1,292,328</u>	<u>\$ 1,266,233</u>	<u>\$ 1,356,371</u>	<u>\$ 1,197,392</u>	<u>\$ 1,191,383</u>
Weighted Average Interest Rates					
Secured					
Conventional fixed rate	5.4%	5.2%	5.2%	5.2%	5.2%
Unsecured					
Fixed rate bonds	4.7%	4.7%	4.7%	4.7%	4.9%
Term loans ⁽¹⁾	2.7%	2.7%	2.7%	—%	—%
Credit facility	1.4%	1.4%	1.2%	1.2%	1.4%
Unsecured total	3.7%	4.0%	3.7%	3.9%	4.7%
Weighted Average	<u>4.1%</u>	<u>4.4%</u>	<u>4.2%</u>	<u>4.4%</u>	<u>4.9%</u>

⁽¹⁾ Washington REIT entered into an interest rate swap to swap from a LIBOR plus 110 basis points floating interest rate to a 2.72% all-in fixed interest rate commencing October 15, 2015.

Note: The current debt balances outstanding are shown net of discounts, premiums and unamortized debt costs (see page [10](#) of this Supplemental).

Long Term Debt Maturities
(in thousands, except average interest rates)



Year	Future Maturities of Debt				
	Secured Debt	Unsecured Debt	Credit Facilities	Total Debt	Avg Interest Rate
2016	\$ 81,029	\$ —	\$ —	\$ 81,029	5.7%
2017	150,903	—	—	150,903	5.9%
2018	—	—	—	—	
2019	31,280	—	215,000 ⁽¹⁾	246,280	1.9%
2020	—	250,000	—	250,000	5.1%
2021	—	150,000 ⁽²⁾	—	150,000	2.7%
2022	44,517	300,000	—	344,517	4.0%
2023	—	—	—	—	
2024	—	—	—	—	
2025	—	—	—	—	
2026	—	—	—	—	
Thereafter	—	50,000	—	50,000	7.4%
Scheduled principal payments	\$ 307,729	\$ 750,000	\$ 215,000	\$ 1,272,729	4.1%
Scheduled amortization payments	22,598	—	—	22,598	4.7%
Net discounts/premiums	4,217	(2,264)	—	1,953	
Loan costs, net of amortization	(691)	(4,261)	—	(4,952)	
Total maturities	\$ 333,853	\$ 743,475	\$ 215,000	\$ 1,292,328	4.1%

Weighted average maturity =4.5 years

⁽¹⁾ Maturity date for credit facility may be extended for up to two additional 6-month periods at Washington REIT's option.

⁽²⁾ Washington REIT entered into an interest rate swap to swap from a LIBOR plus 110 basis points floating interest rate to a 2.72% all-in fixed interest rate commencing October 15, 2015.

Debt Covenant Compliance

	Unsecured Notes Payable		Unsecured Line of Credit (\$600.0 million)	
	Quarter Ended March 31, 2016	Covenant	Quarter Ended March 31, 2016	Covenant
% of Total Indebtedness to Total Assets ⁽¹⁾	44.6%	≤ 65.0%	N/A	N/A
Ratio of Income Available for Debt Service to Annual Debt Service	3.3	≥ 1.5	N/A	N/A
% of Secured Indebtedness to Total Assets ⁽¹⁾	11.5%	≤ 40.0%	N/A	N/A
Ratio of Total Unencumbered Assets ⁽²⁾ to Total Unsecured Indebtedness	2.4	≥ 1.5	N/A	N/A
% of Net Consolidated Total Indebtedness to Consolidated Total Asset Value ⁽³⁾	N/A	N/A	41.7%	≤ 60.0%
Ratio of Consolidated Adjusted EBITDA ⁽⁴⁾ to Consolidated Fixed Charges ⁽⁵⁾	N/A	N/A	2.94	≥ 1.50
% of Consolidated Secured Indebtedness to Consolidated Total Asset Value ⁽³⁾	N/A	N/A	11.0%	≤ 40.0%
% of Consolidated Unsecured Indebtedness to Unencumbered Pool Value ⁽⁶⁾	N/A	N/A	37.7%	≤ 60.0%
Ratio of Unencumbered Adjusted Net Operating Income to Consolidated Unsecured Interest Expense	N/A	N/A	3.98	≥ 1.75

⁽¹⁾ Total Assets is calculated by applying a capitalization rate of 7.50% to the EBITDA⁽⁴⁾ from the last four consecutive quarters, excluding EBITDA from acquired, disposed, and non-stabilized development properties.

⁽²⁾ Total Unencumbered Assets is calculated by applying a capitalization rate of 7.50% to the EBITDA⁽⁴⁾ from unencumbered properties from the last four consecutive quarters, excluding EBITDA from acquired, disposed, and non-stabilized development properties.

⁽³⁾ Consolidated Total Asset Value is the sum of unrestricted cash plus the quotient of applying a capitalization rate to the annualized NOI from the most recently ended quarter for each asset class, excluding NOI from disposed properties, acquisitions during the past 6 quarters, development, major redevelopment and low occupancy properties. To this amount, we add the purchase price of acquisitions during the past 6 quarters plus values for development, major redevelopment and low occupancy properties.

⁽⁴⁾ Consolidated Adjusted EBITDA is defined as earnings before noncontrolling interests, depreciation, amortization, interest expense, income tax expense, acquisition costs, extraordinary, unusual or nonrecurring transactions including sale of assets, impairment, gains and losses on extinguishment of debt and other non-cash charges.

⁽⁵⁾ Consolidated Fixed Charges consist of interest expense excluding capitalized interest and amortization of deferred financing costs, principal payments and preferred dividends, if any.

⁽⁶⁾ Unencumbered Pool Value is the sum of unrestricted cash plus the quotient of applying a capitalization rate to the annualized NOI from unencumbered properties from the most recently ended quarter for each asset class excluding NOI from disposed properties, acquisitions during the past 6 quarters, development, major redevelopment and low occupancy properties. To this we add the purchase price of unencumbered acquisitions during the past 6 quarters and values for unencumbered development, major redevelopment and low occupancy properties.

Capital Analysis
(In thousands, except per share amounts)

	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Market Data					
Shares Outstanding	\$ 68,326	\$ 68,191	\$ 68,180	\$ 68,162	\$ 68,126
Market Price per Share	29.21	27.06	24.93	25.95	27.63
Equity Market Capitalization	\$ 1,995,802	\$ 1,845,248	\$ 1,699,727	\$ 1,768,804	\$ 1,882,321
Total Debt	\$ 1,292,328	\$ 1,266,233	\$ 1,356,371	\$ 1,197,392	\$ 1,191,383
Total Market Capitalization	\$ 3,288,130	\$ 3,111,481	\$ 3,056,098	\$ 2,966,196	\$ 3,073,704
Total Debt to Market Capitalization	0.39:1	0.41:1	0.44:1	0.40:1	0.39:1
Earnings to Fixed Charges ⁽¹⁾	1.2x	5.1x	1.0x	0.8x	2.9x
Debt Service Coverage Ratio ⁽²⁾	2.8x	2.9x	2.9x	2.7x	2.5x
Dividend Data					
Total Dividends Declared	\$ 20,644	\$ 20,493	\$ 20,491	\$ 20,500	\$ 20,519
Common Dividend Declared per Share	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Payout Ratio (Core FFO per share basis)	71.4%	65.0%	66.7%	71.4%	78.9%
Payout Ratio (Core FAD per share basis)	73.2%	93.8%	83.3%	78.9%	90.9%

⁽¹⁾ The ratio of earnings to fixed charges is computed 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, plus interest costs capitalized. The earnings to fixed charges ratios for the three months ended December 31, 2015, June 30, 2015 and March 31, 2015 include gains on the sale of real estate of \$59.4 million, \$1.5 million and \$30.3 million, respectively.

⁽²⁾ Debt service coverage ratio is computed by dividing Adjusted EBITDA (see page 8) by interest expense and principal amortization.

Same-Store Portfolio Net Operating Income (NOI) Growth & Rental Rate Growth
2016 vs. 2015

	Three Months Ended March 31,		% Change	Rental Rate Growth
	2016	2015		
Cash Basis:				
Multifamily	\$ 8,019	\$ 7,843	2.2 %	(0.2)%
Office	24,698	24,652	0.2 %	1.4 %
Retail	10,653	10,847	(1.8)%	3.4 %
Overall Same-Store Portfolio ⁽¹⁾	\$ 43,370	\$ 43,342	0.1 %	1.4 %
GAAP Basis:				
Multifamily	\$ 8,007	\$ 7,841	2.1 %	(0.3)%
Office	24,409	23,463	4.0 %	3.6 %
Retail	10,974	11,011	(0.3)%	3.2 %
Overall Same-Store Portfolio ⁽¹⁾	\$ 43,390	\$ 42,315	2.5 %	2.7 %

⁽¹⁾ Non same-store properties were:

Acquisitions:

 Multifamily - The Wellington

Development/Redevelopment:

 Multifamily - The Maxwell

 Office - Silverline Center and The Army Navy Club Building

Sold properties classified as continuing operations:

 Multifamily - Country Club Towers and Munson Hill

 Retail - Montgomery Village Center

Same-Store Portfolio Net Operating Income (NOI) Detail
(In thousands)

Three Months Ended March 31, 2016					
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	\$ 13,679	\$ 39,339	\$ 15,380	\$ —	\$ 68,398
Non same-store - acquired and in development ⁽¹⁾	4,260	4,479	—	—	8,739
Total	17,939	43,818	15,380	—	77,137
Real estate expenses					
Same-store portfolio	5,672	14,930	4,406	—	25,008
Non same-store - acquired and in development ⁽¹⁾	1,581	2,145	—	—	3,726
Total	7,253	17,075	4,406	—	28,734
Net Operating Income (NOI)					
Same-store portfolio	8,007	24,409	10,974	—	43,390
Non same-store - acquired and in development ⁽¹⁾	2,679	2,334	—	—	5,013
Total	<u>\$ 10,686</u>	<u>\$ 26,743</u>	<u>\$ 10,974</u>	<u>\$ —</u>	<u>\$ 48,403</u>
Same-store portfolio NOI (from above)	\$ 8,007	\$ 24,409	\$ 10,974	\$ —	\$ 43,390
Straight-line revenue, net for same-store properties	11	(428)	(116)	—	(533)
FAS 141 Min Rent	1	190	(254)	—	(63)
Amortization of lease intangibles for same-store properties	—	527	49	—	576
Same-store portfolio cash NOI	<u>\$ 8,019</u>	<u>\$ 24,698</u>	<u>\$ 10,653</u>	<u>\$ —</u>	<u>\$ 43,370</u>
Reconciliation of NOI to net income					
Total NOI	\$ 10,686	\$ 26,743	\$ 10,974	\$ —	\$ 48,403
Depreciation and amortization	(5,403)	(16,783)	(3,609)	(243)	(26,038)
General and administrative	—	—	—	(5,511)	(5,511)
Interest expense	(2,243)	(2,527)	(216)	(9,374)	(14,360)
Other income	—	—	—	39	39
Acquisition costs	—	—	—	(154)	(154)
Net income	3,040	7,433	7,149	(15,243)	2,379
Net loss attributable to noncontrolling interests	—	—	—	5	5
Net income attributable to the controlling interests	<u>\$ 3,040</u>	<u>\$ 7,433</u>	<u>\$ 7,149</u>	<u>\$ (15,238)</u>	<u>\$ 2,384</u>

⁽¹⁾ For a list of non-same-store properties and held for sale and sold properties, see page 13 of this Supplemental.

Same-Store Net Operating Income (NOI) Detail
(In thousands)

	Three Months Ended March 31, 2015				
	Multifamily	Office	Retail	Corporate and Other	Total
Real estate rental revenue					
Same-store portfolio	\$ 13,616	\$ 38,612	\$ 15,479	\$ —	\$ 67,707
Non same-store - acquired and in development ⁽¹⁾	2,415	3,883	851	—	7,149
Total	16,031	42,495	16,330	—	74,856
Real estate expenses					
Same-store portfolio	5,775	15,149	4,468	—	25,392
Non same-store - acquired and in development ⁽¹⁾	1,503	1,994	319	—	3,816
Total	7,278	17,143	4,787	—	29,208
Net Operating Income (NOI)					
Same-store portfolio	7,841	23,463	11,011	—	42,315
Non same-store - acquired and in development ⁽¹⁾	912	1,889	532	—	3,333
Total	<u>\$ 8,753</u>	<u>\$ 25,352</u>	<u>\$ 11,543</u>	<u>\$ —</u>	<u>\$ 45,648</u>
Same-store portfolio NOI (from above)	\$ 7,841	\$ 23,463	\$ 11,011	\$ —	\$ 42,315
Straight-line revenue, net for same-store properties	1	557	8	—	566
FAS 141 Min Rent	1	164	(240)	—	(75)
Amortization of lease intangibles for same-store properties	—	468	68	—	536
Same-store portfolio cash NOI	<u>\$ 7,843</u>	<u>\$ 24,652</u>	<u>\$ 10,847</u>	<u>\$ —</u>	<u>\$ 43,342</u>
Reconciliation of NOI to net income					
Total NOI	\$ 8,753	\$ 25,352	\$ 11,543	\$ —	\$ 45,648
Depreciation and amortization	(4,519)	(16,786)	(3,699)	(271)	(25,275)
General and administrative	—	—	—	(6,080)	(6,080)
Interest expense	(2,422)	(2,965)	(237)	(9,724)	(15,348)
Other income	—	—	—	192	192
Acquisition costs	—	—	—	(16)	(16)
Gain on sale of real estate	—	—	—	30,277	30,277
Net income	1,812	5,601	7,607	14,378	29,398
Net income attributable to noncontrolling interests	—	—	—	108	108
Net income attributable to the controlling interests	<u>\$ 1,812</u>	<u>\$ 5,601</u>	<u>\$ 7,607</u>	<u>\$ 14,486</u>	<u>\$ 29,506</u>

⁽¹⁾ For a list of non-same-store properties and held for sale and sold properties, see page 13 of this Supplemental.

Net Operating Income (NOI) by Region

	Percentage of NOI Q1 2016
DC	
Multifamily	5.6%
Office	24.9%
Retail	1.5%
	32.0%
Maryland	
Multifamily	2.5%
Office	11.0%
Retail	14.3%
	27.8%
Virginia	
Multifamily	14.0%
Office	19.3%
Retail	6.9%
	40.2%
Total Portfolio	100.0%

Same-Store Portfolio and Overall Physical Occupancy Levels by Sector

Sector	Physical Occupancy - Same-Store Properties ^{(1), (2)}				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Multifamily (calculated on a unit basis)	95.3%	94.4%	93.5%	95.1%	94.2%
Multifamily	94.5%	94.3%	93.2%	94.3%	93.6%
Office	90.6%	90.4%	90.7%	90.8%	90.5%
Retail	91.2%	91.5%	95.4%	94.1%	95.4%
Overall Portfolio	91.7%	91.6%	92.5%	92.6%	92.5%

Sector	Physical Occupancy - All Properties ⁽²⁾				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Multifamily (calculated on a unit basis)	95.2%	93.9%	92.6%	92.3%	90.2%
Multifamily	94.5%	93.4%	92.3%	91.7%	89.5%
Office	87.8%	87.6%	87.8%	87.6%	86.7%
Retail	91.2%	91.5%	94.4%	92.9%	94.7%
Overall Portfolio	90.6%	90.2%	90.7%	90.0%	89.5%

⁽¹⁾ Non same-store properties were:

Acquisitions:

Multifamily - The Wellington

Development/Redevelopment:

Multifamily - The Maxwell

Office - Silverline Center and The Army Navy Club Building

Sold properties classified as continuing operations:

Multifamily - Country Club Towers and Munson Hill Towers

Retail - Montgomery Village Center

⁽²⁾ Physical occupancy is calculated as occupied square footage as a percentage of total square footage as of the last day of that period, except for the rows labeled "Multifamily (calculated on a unit basis)," on which physical occupancy is calculated as occupied units as a percentage of total available units as of the last day of that period..

Same-Store Portfolio and Overall Economic Occupancy Levels by Sector

Sector	Economic Occupancy - Same-Store Properties ⁽¹⁾				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Multifamily	94.4%	94.5%	95.0%	95.7%	94.8%
Office	90.1%	91.4%	91.1%	91.0%	90.7%
Retail	89.7%	92.0%	93.5%	94.0%	94.4%
Overall Portfolio	90.9%	92.2%	92.4%	92.6%	92.3%

Sector	Economic Occupancy - All Properties				
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015
Multifamily	93.9%	93.2%	92.7%	90.6%	88.4%
Office	86.9%	88.3%	87.7%	87.2%	86.5%
Retail	89.7%	91.1%	92.3%	92.9%	93.5%
Overall Portfolio	89.0%	90.0%	89.8%	89.0%	88.2%

⁽¹⁾ Non same-store properties were:

Acquisitions:

Multifamily - The Wellington

Development/Redevelopment:

Multifamily - The Maxwell

Office - Silverline Center and The Army Navy Club Building

Sold properties classified as continuing operations:

Multifamily - Country Club Towers and Munson Hill Towers

Retail - Montgomery Village Center

Commercial Leasing Summary - New Leases

	1st Quarter 2016		4th Quarter 2015		3rd Quarter 2015		2nd Quarter 2015		1st Quarter 2015	
Gross Leasing Square Footage										
Office Buildings	32,249		220,374		93,389		57,693		61,141	
Retail Centers	11,777		—		74,102		35,095		10,853	
Total	44,026		220,374		167,491		92,788		71,994	
Weighted Average Term (yrs)										
Office Buildings	7.7		6.5		6.8		6.8		7.5	
Retail Centers	9.8		0.0		10.2		9.6		11.0	
Total	8.3		6.5		8.3		7.8		8.0	
Rental Rate Increases:	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH
Rate on expiring leases										
Office Buildings	\$ 30.91	\$ 31.78	\$ 32.57	\$ 33.76	\$ 27.72	\$ 28.67	\$ 36.35	\$ 38.06	\$ 31.43	\$ 33.14
Retail Centers	11.93	12.04	—	—	22.32	22.77	23.77	25.30	41.57	41.85
Total	\$ 25.83	\$ 26.50	\$ 32.57	\$ 33.76	\$ 25.33	\$ 26.06	\$ 31.59	\$ 33.23	\$ 32.96	\$ 34.45
Rate on new leases										
Office Buildings	\$ 40.60	\$ 36.84	\$ 39.45	\$ 36.62	\$ 36.46	\$ 33.53	\$ 41.61	\$ 38.11	\$ 35.39	\$ 32.49
Retail Centers	16.22	14.45	—	—	27.61	26.14	28.17	26.42	52.79	46.99
Total	\$ 34.08	\$ 30.85	\$ 39.45	\$ 36.62	\$ 32.55	\$ 30.26	\$ 36.53	\$ 33.69	\$ 38.01	\$ 34.68
Percentage Increase										
Office Buildings	31.4%	15.9%	21.1%	8.5%	31.6%	17.0%	14.5%	0.2%	12.6%	(2.0)%
Retail Centers	35.9%	20.0%	—%	—%	23.7%	14.8%	18.5%	4.4%	27.0%	12.3 %
Total	31.9%	16.4%	21.1%	8.5%	28.5%	16.1%	15.6%	1.4%	15.3%	0.7 %
	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft
Tenant Improvements										
Office Buildings	\$ 1,571,632	\$ 48.73	\$ 13,946,572	\$ 63.29	\$ 4,775,584	\$ 51.14	\$ 2,209,271	\$ 38.29	\$ 3,255,324	\$ 53.24
Retail Centers	203,276	17.26	—	—	5,220,923	70.46	592,351	16.88	353,335	32.56
Subtotal	\$ 1,774,908	\$ 40.31	\$ 13,946,572	\$ 63.29	\$ 9,996,507	\$ 59.68	\$ 2,801,622	\$ 30.19	\$ 3,608,659	\$ 50.12
Leasing Commissions and Incentives										
Office Buildings	\$ 1,250,549	\$ 38.78	\$ 7,960,650	\$ 36.12	\$ 4,556,279	\$ 48.79	\$ 1,809,746	\$ 31.37	\$ 2,092,175	\$ 34.22
Retail Centers	212,402	18.04	—	—	1,649,704	22.26	592,483	16.88	754,661	69.53
Subtotal	\$ 1,462,951	\$ 33.23	\$ 7,960,650	\$ 36.12	\$ 6,205,983	\$ 37.05	\$ 2,402,229	\$ 25.89	\$ 2,846,836	\$ 39.54
Tenant Improvements and Leasing Commissions and Incentives										
Office Buildings	\$ 2,822,181	\$ 87.51	\$ 21,907,222	\$ 99.41	\$ 9,331,863	\$ 99.93	\$ 4,019,017	\$ 69.66	\$ 5,347,499	\$ 87.46
Retail Centers	415,678	35.30	—	—	6,870,627	92.72	1,184,834	33.76	1,107,996	102.09
Total	\$ 3,237,859	\$ 73.54	\$ 21,907,222	\$ 99.41	\$ 16,202,490	\$ 96.73	\$ 5,203,851	\$ 56.08	\$ 6,455,495	\$ 89.66

Commercial Leasing Summary - Renewal Leases

	1st Quarter 2016		4th Quarter 2015		3rd Quarter 2015		2nd Quarter 2015		1st Quarter 2015	
Gross Leasing Square Footage										
Office Buildings	193,275		42,033		191,599		71,112		135,134	
Retail Centers	27,243		32,594		53,415		95,048		111,342	
Total	220,518		74,627		245,014		166,160		246,476	
Weighted Average Term (yrs)										
Office Buildings	7.1		6.6		2.8		3.9		4.8	
Retail Centers	11.6		3.3		4.4		5.8		5.4	
Total	7.6		5.1		3.1		4.9		5.1	
Rental Rate Increases:	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH	GAAP	CASH
Rate on expiring leases										
Office Buildings	\$ 36.53	\$ 38.93	\$ 35.61	\$ 37.12	\$ 35.23	\$ 37.43	\$ 30.91	\$ 33.07	\$ 35.26	\$ 36.79
Retail Centers	24.53	26.67	21.30	22.56	23.21	23.72	17.57	18.54	16.14	16.71
Total	\$ 35.04	\$ 37.42	\$ 29.36	\$ 30.76	\$ 32.61	\$ 34.44	\$ 23.28	\$ 24.76	\$ 26.63	\$ 27.72
Rate on new leases										
Office Buildings	\$ 40.55	\$ 37.12	\$ 37.01	\$ 34.12	\$ 31.37	\$ 30.29	\$ 32.43	\$ 31.37	\$ 37.98	\$ 35.99
Retail Centers	41.49	35.39	25.08	23.50	26.63	26.10	22.49	21.25	17.06	16.64
Total	\$ 40.66	\$ 36.90	\$ 31.80	\$ 29.49	\$ 30.34	\$ 29.38	\$ 26.75	\$ 25.58	\$ 28.53	\$ 27.25
Percentage Increase										
Office Buildings	11.0%	(4.7)%	3.9%	(8.1)%	(11.0)%	(19.1)%	4.9%	(5.1)%	7.7%	(2.2)%
Retail Centers	69.2%	32.7 %	17.8%	4.2 %	14.7 %	10.0 %	28.0%	14.6 %	5.7%	(0.4)%
Total	16.0%	(1.4)%	8.3%	(4.1)%	(7.0)%	(14.7)%	14.9%	3.3 %	7.2%	(1.7)%
	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft	Total Dollars	\$ per Sq Ft
Tenant Improvements										
Office Buildings	\$ 6,945,781	\$ 35.94	\$ 1,580,078	\$ 37.59	\$ 580,967	\$ 3.03	\$ 423,589	\$ 5.96	\$ 550,948	\$ 4.08
Retail Centers	626,200	22.99	—	—	36,540	0.68	39,183	0.41	152,391	1.37
Subtotal	\$ 7,571,981	\$ 34.34	\$ 1,580,078	\$ 21.17	\$ 617,507	\$ 2.52	\$ 462,772	\$ 2.79	\$ 703,339	\$ 2.85
Leasing Commissions and Incentives										
Office Buildings	\$ 7,501,476	\$ 38.82	\$ 1,021,344	\$ 24.30	\$ 744,977	\$ 3.89	\$ 368,593	\$ 5.19	\$ 929,511	\$ 6.88
Retail Centers	802,685	29.47	59,302	1.82	119,946	2.25	199,976	2.10	243,602	2.19
Subtotal	\$ 8,304,161	\$ 37.65	\$ 1,080,646	\$ 14.48	\$ 864,923	\$ 3.53	\$ 568,569	\$ 3.43	\$ 1,173,113	\$ 4.76
Tenant Improvements and Leasing Commissions and Incentives										
Office Buildings	\$14,447,257	\$ 74.76	\$ 2,601,422	\$ 61.89	\$ 1,325,944	\$ 6.92	\$ 792,182	\$ 11.15	\$ 1,480,459	\$ 10.96
Retail Centers	1,428,885	52.46	59,302	1.82	156,486	2.93	239,159	2.51	395,993	3.56
Total	\$15,876,142	\$ 71.99	\$ 2,660,724	\$ 35.65	\$ 1,482,430	\$ 6.05	\$ 1,031,341	\$ 6.22	\$ 1,876,452	\$ 7.61

10 Largest Tenants - Based on Annualized Commercial Income

March 31, 2016

Tenant	Number of Buildings	Weighted Average Remaining Lease Term in Months	Percentage of Aggregate Portfolio Annualized Commercial Income	Aggregate Rentable Square Feet	Percentage of Aggregate Occupied Square Feet
World Bank	1	57	5.47%	210,354	3.31%
Advisory Board Company	2	38	3.66%	199,878	3.15%
Engility Corporation	1	18	2.55%	134,126	2.11%
Squire Patton Boggs (USA) LLP ⁽¹⁾	1	13	2.41%	110,566	1.74%
Booz Allen Hamilton, Inc.	1	118	2.29%	222,989	3.51%
Epstein, Becker & Green, P.C.	1	153	1.37%	55,318	0.87%
General Services Administration	3	32	1.24%	52,282	0.82%
Hughes Hubbard & Reed LLP	1	23	1.18%	53,208	0.84%
Alexandria City School Board	1	158	1.18%	84,693	1.33%
Cozen O'Connor	1	1	1.14%	36,574	0.58%
Total/Weighted Average		64	22.49%	1,159,988	18.26%

⁽¹⁾ The space leased to Squire Patton Boggs (USA) LLP is currently subleased to Advisory Board Company, who has signed an extension to make the lease coterminous with the remaining Advisory Board Company leases expiring on May 31, 2019.

Industry Diversification

March 31, 2016

Industry Classification (NAICS)	Annualized Base Rental Revenue	Percentage of Aggregate Annualized Rent	Aggregate Rentable Square Feet	Percentage of Aggregate Square Feet
Office:				
Professional, Scientific, and Technical Services	\$ 77,039,685	50.72%	2,225,451	52.66%
Finance and Insurance	18,842,660	12.40%	425,920	10.08%
Other Services (except Public Administration/Government)	12,824,606	8.44%	337,032	7.97%
Information (Broadcasting, Publishing, Telecommunications)	8,348,215	5.49%	210,070	4.97%
Health Care and Social Assistance	8,014,608	5.28%	268,196	6.34%
Educational Services	6,163,385	4.06%	194,949	4.61%
Public Administration (Government)	5,756,584	3.79%	160,345	3.79%
Wholesale Trade	4,883,016	3.21%	119,735	2.83%
Administrative and Support and Waste Management and Remediation Services	2,784,947	1.83%	74,805	1.77%
Manufacturing	1,857,643	1.22%	54,123	1.28%
Real Estate and Rental and Leasing	1,716,854	1.13%	50,384	1.19%
Accommodation and Food Services	1,514,319	1.00%	41,612	0.98%
Other	2,179,154	1.43%	64,780	1.53%
Total	\$ 151,925,676	100.00%	4,227,402	100.00%
Retail:				
Wholesale Trade	\$ 26,655,443	57.83%	1,484,598	71.22%
Accommodation and Food Services	6,892,126	14.95%	225,147	10.80%
Finance and Insurance	4,127,775	8.96%	56,299	2.70%
Other Services (except Public Administration/Government)	3,283,917	7.12%	102,268	4.91%
Arts, Entertainment, and Recreation	1,782,327	3.87%	103,649	4.97%
Health Care and Social Assistance	1,173,799	2.55%	31,602	1.52%
Manufacturing	533,904	1.16%	17,547	0.84%
Educational Services	415,209	0.90%	25,598	1.23%
Information (Broadcasting, Publishing, Telecommunications)	350,495	0.76%	8,347	0.40%
Other	876,011	1.90%	29,350	1.41%
Total	\$ 46,091,006	100.00%	2,084,405	100.00%

Lease Expirations

March 31, 2016

Year	Number of Leases	Rentable Square Feet	Percent of Rentable Square Feet	Annualized Rent *	Average Rental Rate	Percent of Annualized Rent *
Office:						
2016	79	253,470	5.55%	\$ 9,798,345	\$ 38.66	5.30%
2017	94	600,182	13.13%	23,025,813	38.36	12.46%
2018	91	457,959	10.02%	17,193,036	37.54	9.30%
2019	89	702,098	15.36%	27,141,033	38.66	14.69%
2020	86	572,154	12.52%	24,304,548	42.48	13.15%
2021 and thereafter	225	1,984,814	43.42%	83,313,537	41.98	45.10%
	664	4,570,677	100.00%	\$ 184,776,312	40.43	100.00%
Retail:						
2016	14	66,633	3.04%	\$ 2,183,992	32.78	4.10%
2017	44	256,212	11.70%	6,901,420	26.94	12.95%
2018	38	336,934	15.38%	4,966,988	14.74	9.32%
2019	32	158,213	7.22%	4,477,053	28.30	8.40%
2020	37	407,969	18.62%	7,363,213	18.05	13.82%
2021 and thereafter	122	964,686	44.04%	27,400,923	28.40	51.41%
	287	2,190,647	100.00%	\$ 53,293,589	24.33	100.00%
Total:						
2016	93	320,103	4.73%	11,982,337	37.43	5.03%
2017	138	856,394	12.67%	29,927,233	34.95	12.57%
2018	129	794,893	11.76%	22,160,024	27.88	9.31%
2019	121	860,311	12.72%	31,618,086	36.75	13.28%
2020	123	980,123	14.50%	31,667,761	32.31	13.30%
2021 and thereafter	347	2,949,500	43.62%	110,714,460	37.54	46.51%
	951	6,761,324	100.00%	\$ 238,069,901	35.21	100.00%

* Annualized Rent is equal to the rental rate effective at lease expiration (cash basis) multiplied by 12.

Schedule of Properties

March 31, 2016

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET
<u>Office Buildings</u>				
515 King Street	Alexandria, VA	1992	1966	75,000
Courthouse Square	Alexandria, VA	2000	1979	118,000
Braddock Metro Center	Alexandria, VA	2011	1985	348,000
1600 Wilson Boulevard	Arlington, VA	1997	1973	169,000
Fairgate at Ballston	Arlington, VA	2012	1988	141,000
Monument II	Herndon, VA	2007	2000	207,000
925 Corporate Drive	Stafford, VA	2010	2007	134,000
1000 Corporate Drive	Stafford, VA	2010	2009	136,000
Silverline Center	Tysons, VA	1997	1972/1986/1999/2014	529,000
John Marshall II	Tysons, VA	2011	1996/2010	223,000
51 Monroe Street	Rockville, MD	1979	1975	223,000
6110 Executive Boulevard	Rockville, MD	1995	1971	203,000
600 Jefferson Plaza	Rockville, MD	1999	1985	113,000
One Central Plaza	Rockville, MD	2001	1974	268,000
West Gude Drive	Rockville, MD	2006	1984/1986/1988	277,000
Wayne Plaza	Silver Spring, MD	2000	1970	99,000
1901 Pennsylvania Avenue	Washington, DC	1977	1960	101,000
1220 19th Street	Washington, DC	1995	1976	103,000
1776 G Street	Washington, DC	2003	1979	266,000
2000 M Street	Washington, DC	2007	1971	231,000
2445 M Street	Washington, DC	2008	1986	290,000
1140 Connecticut Avenue	Washington, DC	2011	1966	183,000
1227 25th Street	Washington, DC	2011	1988	135,000
Army Navy Club Building	Washington, DC	2014	1912/1987	108,000
1775 Eye Street	Washington, DC	2014	1964	186,000
Subtotal				4,866,000

Schedule of Properties (continued)

March 31, 2016

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET
<u>Retail Centers</u>				
Bradlee Shopping Center	Alexandria, VA	1984	1955	171,000
Shoppes of Foxchase	Alexandria, VA	1994	1960/2006	134,000
800 S. Washington Street	Alexandria, VA	1998/2003	1955/1959	46,000
Concord Centre	Springfield, VA	1973	1960	76,000
Gateway Overlook	Columbia, MD	2010	2007	220,000
Frederick County Square	Frederick, MD	1995	1973	227,000
Frederick Crossing	Frederick, MD	2005	1999/2003	295,000
Centre at Hagerstown	Hagerstown, MD	2002	2000	332,000
Olney Village Center	Olney, MD	2011	1979/2003	199,000
Randolph Shopping Center	Rockville, MD	2006	1972	82,000
Montrose Shopping Center	Rockville, MD	2006	1970	145,000
Takoma Park	Takoma Park, MD	1963	1962	51,000
Westminster	Westminster, MD	1972	1969	150,000
Wheaton Park	Wheaton, MD	1977	1967	74,000
Chevy Chase Metro Plaza	Washington, DC	1985	1975	50,000
Spring Valley Retail Center	Washington, DC	2014	1941/1950	75,000
Subtotal				2,327,000

Schedule of Properties (continued)

March 31, 2016

PROPERTIES	LOCATION	YEAR ACQUIRED	YEAR CONSTRUCTED	NET RENTABLE SQUARE FEET ⁽¹⁾
<u>Multifamily Buildings / # units</u>				
Clayborne / 74	Alexandria, VA	2008	2008	60,000
Park Adams / 200	Arlington, VA	1969	1959	173,000
Bennett Park / 224	Arlington, VA	2007	2007	214,000
The Paramount / 135	Arlington, VA	2013	1984	141,000
The Maxwell / 163	Arlington, VA	2014	2014	139,000
The Wellington / 711	Arlington, VA	2015	1960	842,000
Roosevelt Towers / 191	Falls Church, VA	1965	1964	170,000
The Ashby at McLean / 256	McLean, VA	1996	1982	274,000
Bethesda Hill Apartments / 195	Bethesda, MD	1997	1986	225,000
Walker House Apartments / 212	Gaithersburg, MD	1996	1971/2003	157,000
3801 Connecticut Avenue / 307	Washington, DC	1963	1951	178,000
Kenmore Apartments / 374	Washington, DC	2008	1948	268,000
Yale West / 216	Washington, DC	2014	2011	173,000
Subtotal (3,258 units)				3,014,000
TOTAL				10,207,000

⁽¹⁾ Multifamily buildings are presented in gross square feet.

Supplemental Definitions

March 31, 2016

Adjusted EBITDA (a non-GAAP measure) is earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt, severance expense, relocation expense, acquisition and structuring expenses and gain/loss from non-disposal activities.

Annualized base rent ("ABR") is calculated as monthly base rent (cash basis) per the lease, as of the reporting period, multiplied by 12.

Debt service coverage ratio is computed by dividing earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt, severance expense, relocation expense, acquisition and structuring expenses and gain/loss from non-disposal activities by interest expense (including interest expense from discontinued operations) and principal amortization.

Debt to total market capitalization is total debt divided by the sum of total debt plus the market value of shares outstanding at the end of the period.

Earnings to fixed charges ratio is computed by dividing earnings attributable to the controlling interest by fixed charges. For this purpose, earnings consist of income from continuing operations (or net income if there are no discontinued operations) plus fixed charges, less capitalized interest. Fixed charges consist of interest expense (excluding interest expense from discontinued operations), including amortized costs of debt issuance, plus interest costs capitalized.

Economic occupancy is calculated as actual real estate rental revenue recognized for the period indicated as a percentage of gross potential real estate rental revenue for that period. We determine gross potential real estate rental revenue by valuing occupied units or square footage at contract rates and vacant units or square footage at market rates for comparable properties. We do not consider percentage rents and expense reimbursements in computing economic occupancy percentages.

NAREIT Funds from operations ("NAREIT FFO") is defined by National Association of Real Estate Investment Trusts, Inc. ("NAREIT") in an April, 2002 White Paper as net income (computed in accordance with generally accepted accounting principles ("GAAP") excluding gains (or losses) associated with sales of property, impairment of depreciable real estate and real estate depreciation and amortization. We consider NAREIT FFO to be a standard supplemental measure for equity real estate investment trusts ("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 NAREIT FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs. NAREIT FFO is a non-GAAP measure.

Core Funds From Operations ("Core FFO") is calculated by adjusting NAREIT FFO for the following items (which we believe are not indicative of the performance of Washington REIT's operating portfolio and affect the comparative measurement of Washington REIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) expenses related to acquisition and structuring activities, (3) executive transition costs and severance expense related to corporate reorganization and related to executive retirements or resignations, (4) property impairments and gains or losses on sale, not already excluded from NAREIT FFO, as appropriate, and (5) relocation expense. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of Washington REIT's ability to incur and service debt, and distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Funds Available for Distribution ("FAD") is calculated by subtracting from NAREIT FFO (1) recurring expenditures, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream (excluding items contemplated prior to acquisition or associated with development / redevelopment of a property) and (2) straight line rents, then adding (3) non-real estate depreciation and amortization, (4) non-cash fair value interest expense and (5) amortization of restricted share compensation, then adding or subtracting the (6) amortization of lease intangibles, (7) real estate impairment and (8) non-cash gain/loss on extinguishment of debt, as appropriate. FAD is included herein, because we consider it to be a measure of a REIT's ability to incur and service debt and to distribute dividends to its shareholders. FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Core Funds Available for Distribution ("Core FAD") is calculated by adjusting FAD for the following items (which we believe are not indicative of the performance of Washington REIT's operating portfolio and affect the comparative measurement of Washington REIT's operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties, (3) non-share-based severance expense related to corporate reorganization and related to executive retirements or resignations, (4) property impairments and gains or losses on sale, not already excluded from FAD, as appropriate, and (5) relocation expense. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FAD serves as a useful, supplementary measure of Washington REIT's ability to incur and service debt, and distribute dividends to its shareholders. Core FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Net Operating Income ("NOI") is a non-GAAP measure defined as real estate rental revenue less real estate expenses. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain on sale, if any), plus interest expense, depreciation and amortization, general and administrative expenses, acquisition costs, real estate impairment and gain or loss on extinguishment of debt. We also present NOI on a cash basis ("Cash NOI") which is calculated as NOI less the impact of straightlining of rent and amortization of market intangibles. We provide NOI as a supplement to 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. It is the primary performance measure we use to assess the results of our operations at the property level.

Physical occupancy is calculated as occupied square footage as a percentage of total square footage as of the last day of that period. Multifamily unit basis physical occupancy is calculated as occupied units as a percentage of total units as of the last day of that period.

Recurring capital expenditures represent non-accretive building improvements and leasing costs required to maintain current revenues. Recurring capital expenditures do not include acquisition capital that was taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard."

Rent increases on renewals and rollovers are calculated as the difference, weighted by square feet, of the net ABR due the first month after a term commencement date and the net ABR due the last month prior to the termination date of the former tenant's term.

Same-store portfolio properties include all stabilized properties that were owned for the entirety of the current and prior reporting periods, and exclude properties under redevelopment or development and properties purchased or sold at any time during the periods being compared. We define redevelopment properties as those for which we expect to spend significant development and construction costs on existing or acquired buildings pursuant to a formal plan which has a current impact on operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. Redevelopment and development properties are included in the same-store pool upon completion of the redevelopment or development, and the earlier of achieving 90% occupancy or two years after completion.

Same-store portfolio net operating income (NOI) growth is the change in the NOI of the same-store portfolio properties from the prior reporting period to the current reporting period.