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February 17, 2022

WashREIT Announces Fourth Quarter and Full Year 2021 Results

Washington Real Estate Investment Trust ("WashREIT" or the "Company") (NYSE: WRE), a multifamily REIT with properties in the Washington metro area and the Southeast, reported financial and operating results today for the quarter and year ended December 31, 2021:

Full-Year 2021 Financial and Operational Results

- Net income was \$16.4 million, or \$0.19 per diluted share
- NAREIT FFO was \$65.5 million, or \$0.77 per diluted share
- · Core FFO was \$1.06 per diluted share
- Net Operating Income (NOI) was \$108.4 million
- Same-store Multifamily NOI decreased by 1.8% for the year and 0.9% on a cash basis for the year
- Same-store Other NOI increased by 0.6% for the year

Fourth Quarter 2021 Financial and Operational Results

- Net loss was \$6.8 million, or \$0.08 per diluted share
- NAREIT FFO was \$13.3 million, or \$0.16 per diluted share
- Core FFO was \$0.17 per diluted share
- NOI was \$29.1 million
- Same-store Multifamily NOI increased by 4.2% year-over-year and 8.0% on a cash basis
- Effective new Lease Rate Growth was 8.7%, effective renewal Lease Rate Growth was 8.2%, and effective blended Lease Rate Growth was 8.4% during the quarter for our same-store portfolio
- Retention increased to 72% compared to 51% in the fourth quarter of 2020 driven by a reduction in moveouts related to home purchases and transfers within our apartment communities
- Same-store Average Occupancy increased 1.9% from the fourth quarter of 2020 to 95.9%, and same-store Ending Occupancy increased 1.7% from the fourth quarter of 2020 to 96.0%
- Trove stabilized during the fourth quarter and ended the year with occupancy of 94.5%. Trove is expected to add approximately \$7.0 million of NOI in 2022 and \$8.0 million in 2023

YTD Highlights

- Atlanta acquisitions are performing very well and are contributing NOI growth that is above our initial expectations
- Same-store portfolio is off to a strong start in 2022 with increasing lease rate momentum supported by strong retention and occupancy
- New lease executions increased approximately 10.7% for our same-store communities and 22.4% for our Atlanta communities on an effective average year-to-date basis
- Renewal lease executions increased 9.7% for our same-store communities and 13.7% for our Atlanta communities on an effective average year-to-date basis

Transformation Update

- Completed the acquisitions of 860 South and 900 Dwell, two adjacent garden style apartment communities in Stockbridge, GA, for a total of \$106 million on November 19, 2021. We believe that significant economies of scale can be achieved from operating and managing these properties together, and we are focused on unlocking that value. We will refer to these properties collectively as Assembly Eagles Landing.
- Completed the acquisition of Carlyle of Sandy Springs, a garden style community located in Sandy Springs,
 GA, for \$106 million on February 1, 2022.

Liquidity Position

- Available liquidity was approximately \$930 million as of December 31st, consisting of the entire capacity under the Company's \$700 million revolving credit facility and cash on hand
- The Company has no secured debt and no scheduled debt maturities until July 2023
- During the fourth quarter, issued 1,611,618 common shares through the Company's At-the-Market (ATM) program at an average share price of \$25.49 for gross proceeds of \$41.1 million. Subsequent to year end, the Company issued another 1,032,286 common shares through the ATM program at an average share price of \$26.27 for gross proceeds of \$27.1 million, for a combined total of 2,643,904 common shares for gross proceeds of approximately \$68.2 million.

"Our 2021 results reflect our transformation into multifamily, which is the asset class we identified as having the best long term growth prospects," said Paul T. McDermott, President and CEO. "We continue to make progress on our geographic expansion and have deployed approximately 60% of our commercial sale net proceeds and are in process on multiple opportunities that would improve our NOI growth trajectory. We expect to deploy the remainder of the net sale proceeds from our commercial portfolio sales by early in the second quarter of 2022. We believe we will continue to execute on opportunities that fit our portfolio strategies and to create increasing long-term value for our shareholders."

Fourth Quarter Operating Results

- Multifamily Same-store NOI Same-store NOI increased 4.2% compared to the corresponding prior year period and 8.0% on a cash basis, which includes the impact of cash concessions. Average occupancy for the quarter increased 1.9% from the prior year period to 95.9%.
- Other Same-store NOI The Other same-store portfolio is comprised of one asset, Watergate 600. Same-store NOI increased by 7.7% compared to the corresponding prior year period due to higher rental and parking income partially offset by higher operating expenses. Watergate 600 was 91.3% occupied and 92.4% leased at year end.

"Our portfolio is performing historically well and certainly outperforming our normal seasonal patterns," said Steve Riffee, Executive Vice President and CFO. "Effective lease rates have continued to grow through the winter months further boosted by concessions burning off and a very limited amount of new concessions being issued, occupancy that is historically strong as we head into the spring and summer leasing seasons, and very strong renewal demand. The trends that we are seeing keep us confident that we should have strong NOI growth throughout 2022 into 2023."

2022 Guidance

Core FFO for 2022 is expected to range from \$0.87 to \$0.93 per fully diluted share. The following assumptions are included in the Core FFO guidance for 2022 as set forth below:

Full Year Outlook on Key Assumptions and Metrics

- Same-store multifamily NOI growth is expected to range between 7.75% to 9.75%
- Same-store multifamily and Trove NOI, which was fully delivered and invested by the start of 2021, is expected to grow between 11.5% and 13.5%
- Non same-store multifamily NOI is expected to range from \$17.75 million to \$18.5 million in 2022 including Trove, which is expected to contribute approximately \$7.0 million of NOI
- Other same-store NOI, which consists solely of Watergate 600, is expected to range from \$13.0 million to \$13.75 million
- The acquisition of Carlyle of Sandy Springs closed on February 1, 2022 for \$106 million
- Approximately \$270 million to \$290 million of additional multifamily acquisitions are expected to be completed in the Southeastern markets of Atlanta, and/or Charlotte, Raleigh/Durham in the first half of the year
- Core AFFO payout ratio is expected to be in the mid-70% range

	Full Year 2022
Core FFO per diluted share	\$0.87 - \$0.93
Net Operating Income	
Same-store multifamily NOI growth	7.75% - 9.75%
Same-store multifamily and Trove NOI growth	11.5% - 13.5%
Non-same-store NOI (a)	\$17.75 million - \$18.5 million
Non-residential NOI (b)	~\$0.75 million
Other same-store NOI (c)	\$13.0 million - \$13.75 million
Transactions	
Acquisitions (d)	\$270 million - \$290 million
Expenses	
Property Management Expenses	\$7.5 million - \$8.0 million
G&A	\$25.5 million - \$26.5 million
Interest expense	\$24.75 million - \$25.75 million
Transformation costs	\$11.0 million - \$13.0 million

⁽a) Includes Trove, The Oxford, Assembly Eagles Landing, and Carlyle of Sandy Springs

WashREIT's Core FFO guidance and outlook are based on a number of factors, many of which are outside the Company's control and all of which are subject to change. WashREIT may change the guidance provided during the year as actual and anticipated results vary from these assumptions, but WashREIT undertakes no obligation to do so.

⁽b) Includes revenues and expenses from retail operations at multifamily properties

⁽c) Other NOI consists of Watergate 600

⁽d) Anticipated completion in first half of 2022, assumes full deployment of remaining commercial sale net proceeds plus levered ATM proceeds

Washington Real Estate Investment Trust

2022 Guidance Reconciliation Table

A reconciliation of projected net loss per diluted share to projected Core FFO per diluted share for the full year ending December 31, 2022 is as follows:

	Low	High
Net loss per diluted share	\$(0.27)	\$(0.23)
Real estate depreciation and amortization	1.01	1.01
NAREIT FFO per diluted share	0.74	0.78
Core adjustments	0.13	0.15
Core FFO per diluted share	\$0.87	\$0.93

Dividends

On January 5, 2022, WashREIT paid a quarterly dividend of \$0.17 per share.

WashREIT announced today that its Board of Trustees has declared a quarterly dividend of \$0.17 per share to be paid on April 5, 2022 to shareholders of record on March 23, 2022.

Conference Call Information

The Fourth Quarter 2021 Earnings Call is scheduled for Friday, February 18, 2022 at 11:00 A.M. Eastern Time. Conference Call access information is as follows:

USA Toll Free Number: 1-888-506-0062 International Toll Number: 1-973-528-0011

Conference ID: 484083

The instant replay of the Earnings Call will be available until Friday, March 4, 2022. Instant replay access information is as follows:

USA Toll Free Number: 1-877-481-4010 International Toll Number: 1-919-882-2331

Conference ID: 44242

The live on-demand webcast of the Conference Call will be available on the Investor section of WashREIT's website at www.washreit.com. Online playback of the webcast will be available following the Conference Call.

About WashREIT

WashREIT owns approximately 8,200 residential apartment homes in the Washington, DC metro and the Southeast. WashREIT also owns and operates approximately 300,000 square feet of commercial space in the Washington, DC metro region. We are focused on providing quality housing to under-served, middle-income renters in submarkets poised for strong, sustained demand. With a proven track record in residential repositioning, we are utilizing the experience and research from the Washington, DC metro region to continue to grow as we geographically diversify into Southeastern markets. We are targeting the deepest demand segments in submarkets with the greatest probability of rent growth outperformance, and tailoring our specific investment strategy to best create value.

Note: WashREIT's press releases and supplemental financial information are available on the Company website at www.washreit.com or by contacting Investor Relations at (202) 774-3200.

Forward Looking Statements

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 and involve risks and uncertainties. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Currently, one of the most significant factors continues to be the adverse effect of the COVID-19 virus, including any variants and mutations thereof, the actions taken to contain the pandemic or mitigate the impact of COVID-19, and the direct and indirect economic effects of the pandemic and containment measures. The extent to which COVID-19 continues to impact WashREIT, its properties and its residents and tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, the continued speed and success of the vaccine distribution, effectiveness and willingness of people to take COVID-19 vaccines, and the duration of associated immunity and their efficacy against emerging variants of COVID-19, among others. Moreover, investors are cautioned to interpret many of the risks identified in the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2020 filed on February 16, 2021, as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19. Additional factors which may cause the actual results, performance, or achievements of WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to the risks associated with the failure to enter into and/or complete contemplated acquisitions or dispositions within the price ranges anticipated and on the terms and timing anticipated, or at all; our ability to execute on our strategies, including new strategies with respect to our operations and our portfolio, including the acquisition of residential properties in the Southeastern markets, on the terms anticipated, or at all, and to realize any anticipated benefits, including the performance of any acquired residential properties at the levels anticipated; whether our actual 2022 NOI for Trove will be consistent with our expected NOI for Trove; the risks associated with ownership of real estate in general and our real estate assets in particular; the economic health of the greater Washington, DC metro region and the larger Southeastern region; changes in the composition and geographic location of our portfolio; fluctuations in interest rates; reductions in or actual or threatened changes to the timing of federal government spending; the risks related to use of third-party providers; the economic health of our residents and tenants; the availability and terms of financing and capital and the general volatility of securities markets; compliance with applicable laws, including those concerning the environment and access by persons with disabilities; the risks related to not having adequate insurance to cover potential losses; the risks related to our organizational structure and limitations of stock ownership: changes in the market value of securities; terrorist attacks or actions and/or cyber-attacks; failure to qualify and maintain our qualification as a REIT and the risks of changes in laws affecting REITs; and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2020 Form 10-K filed on February 16, 2021 and our quarterly report on Form 10-Q filed on October 29, 2021. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events, or otherwise.

This Earnings Release also includes certain forward-looking non-GAAP information. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these estimates, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable efforts.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES FINANCIAL HIGHLIGHTS

(In thousands, except per share data) (Unaudited)

		Three Mor Decem				Twelve Mor Decem				
OPERATING RESULTS		2021		2020		2021		2020		
Revenue										
Real estate rental revenue	\$	44,748	\$	42,788	\$	169,151	\$	176,004		
Expenses										
Property operating and maintenance		10,086		10,027		38,741		39,625		
Real estate taxes and insurance		5,516		5,937		22,041		23,357		
Property management		1,685		1,463		6,133		6,145		
General and administrative		7,700		5,988		27,538		23,951		
Transformation costs		1,839		_		6,635		_		
Depreciation and amortization		20,114		17,653		72,656		70,336		
		46,940		41,068		173,744		163,414		
Loss on sale of real estate				(7,470)				(15,009)		
Real estate operating loss		(2,192)		(5,750)		(4,593)		(2,419)		
Other income (expense)										
Interest expense		(5,676)		(8,998)		(34,063)		(37,305)		
Loss on interest rate derivatives		_		(560)		(5,866)		(560)		
Loss on extinguishment of debt		_		(296)		(12,727)		(34)		
Other income		1,072				4,109		_		
		(4,604)		(9,854)		(48,547)		(37,899)		
Loss from continuing operations		(6,796)		(15,604)		(53,140)		(40,318)		
Discontinued operations:										
Income from operations of properties sold or held for sale		_		4,567		23,083		24,638		
Gain on sale of real estate, net		_		_		46,441		_		
Income from discontinued operations				4,567		69,524		24,638		
Net (loss) income	\$	(6,796)	\$	(11,037)	\$	16,384	\$	(15,680)		
Loss from continuing operations	\$	(6,796)	\$	(15,604)	\$	(53,140)	\$	(40,318)		
Depreciation and amortization		20,114		17,653		72,656		70,336		
Loss on sale of depreciable real estate				7,470				15,009		
Funds from continuing operations		13,318		9,519		19,516		45,027		
Income from discontinued operations		_		4,567		69,524		24,638		
Discontinued operations real estate depreciation and amortization		_		12,588		22,904		49,694		
Gain on sale of real estate, net						(46,441)				
Funds from discontinued operations				17,155		45,987		74,332		
NAREIT funds from operations	\$	13,318	\$	26,674	\$	65,503	\$	119,359		
Non-cash loss (gain) on extinguishment of debt	\$	_	\$	296	\$	833	\$	(881)		
Tenant improvements and incentives, net of reimbursements	Ψ	(642)	Ψ		Ψ		Ψ			
Leasing commissions capitalized		(24)		(6,250) (1,445)		(1,546) (2,808)		(13,212)		
Recurring capital improvements		` '		· · · · ·						
Straight-line rents, net		(1,366)		(2,164)		(4,874)		(5,044)		
		(218)		02		(1,738)		(1,758)		
Non-cash fair value interest expense		1 244		007		E 005		(59)		
Non-real estate depreciation & amortization of debt costs		1,241		987		5,265		3,795		
Amortization of lease intangibles, net		(172)		477		368		1,942		
Amortization and expensing of restricted share and unit compensation		2,075	_	1,972	_	8,553	_	7,873		
Adjusted funds from operations	\$	14,212	\$	20,629	\$	69,556	\$	108,163		

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	Three Mon Decem			Twelve Months Ended December 31,						
Per share data:			2021 2020				2021		2020	
Loss from continuing operations	(Basic)	\$	(0.08)	\$	(0.19)	\$	(0.63)	\$	(0.50)	
	(Diluted)	\$	(80.0)	\$	(0.19)	\$	(0.63)	\$	(0.50)	
Net (loss) income	(Basic)	\$	(0.08)	\$	(0.13)	\$	0.19	\$	(0.20)	
	(Diluted)	\$	(80.0)	\$	(0.13)	\$	0.19	\$	(0.20)	
NAREIT FFO	(Basic)	\$	0.16	\$	0.32	\$	0.77	\$	1.44	
	(Diluted)	\$	0.16	\$	0.32	\$	0.77	\$	1.44	
Dividends paid		\$	0.17	\$	0.30	\$	0.94	\$	1.20	
Weighted average shares outstanding - basic			84,804		82,962		84,544		82,348	
Weighted average shares outstanding - diluted			84,804		82,962		84,544		82,348	
Weighted average shares outstanding - diluted (for NAREIT FFO)			84,911		83,093		84,629		82,516	

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data) (Unaudited)

	Dece	mber 31, 2021	Dece	ember 31, 2020
Assets				
Land	\$	322,623	\$	301,709
Income producing property		1,642,147		1,473,335
		1,964,770		1,775,044
Accumulated depreciation and amortization		(402,560)		(335,006)
Net income producing property		1,562,210		1,440,038
Properties under development or held for future development		30,631		36,494
Total real estate held for investment, net		1,592,841		1,476,532
Investment in real estate held for sale, net		_		795,687
Cash and cash equivalents		233,600		7,697
Restricted cash		620		593
Rents and other receivables		15,067		11,888
Prepaid expenses and other assets		33,866		29,587
Other assets related to properties sold or held for sale		_		87,834
Total assets	\$	1,875,994	\$	2,409,818
Liabilities	Ф	400.040	æ	045.070
Notes payable, net	\$	496,946	\$	945,370
Line of credit		-		42,000
Accounts payable and other liabilities		40,585		44,067
Dividend payable		14,650		25,361
Advance rents		2,082		2,461
Tenant security deposits		4,669		4,221
Other liabilities related to properties sold or held for sale				25,229
Total liabilities		558,932		1,088,709
Equity				
Shareholders' equity				
Preferred shares; \$0.01 par value; 10,000 shares authorized; no shares issued or butstanding		_		_
Shares of beneficial interest, \$0.01 par value; 150,000 and 100,000 shares authorized; 86,261 and 84,409 shares issued and outstanding, as of December 31, 2021 and December 31, 2020, respectively		863		844
Additional paid in capital		1,697,477		1,649,366
Distributions in excess of net income		(362,494)		(298,860)
Accumulated other comprehensive loss		(19,091)		(30,563)
Total shareholders' equity		1,316,755		1,320,787
Noncontrolling interests in subsidiaries		307		322
Total equity		1,317,062		1,321,109
Total liabilities and equity	\$	1,875,994	\$	2,409,818
Total habilities and equity	Ψ	1,070,004	Ψ	2,400,010

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The following tables contain reconciliations of net loss (income) to NOI for the periods presented (in thousands):

Net (loss) income 2021 2020 2021 2020 Net (loss) income \$ (6,796) \$ (11,037) \$ 16,384 \$ (15,686) Adjustments Septembry management 1,685 1,463 6,133 6,145 General and administrative 7,700 5,986 27,538 23,951 Transformation costs 1,839 - 6,635 - 70,336 Real estate depreciation and amortization 20,114 17,653 72,656 70,336 Loss on sale of real estate - 7,470 - 15,009 10,009 <t< th=""><th></th><th>Three Mon Decem</th><th></th><th></th><th>Ended 31,</th></t<>		Three Mon Decem			Ended 31,		
Adjustments: Property management 1,685 1,463 6,133 6,145 General and administrative 7,700 5,988 27,538 23,951 Transformation costs 1,839 — 6,635 — Real estate depreciation and amortization 20,114 17,653 72,656 70,336 Loss on sale of real estate — 7,470 — 15,009 Interest expense 5,676 8,998 34,063 37,305 Loss on interest rate derivatives — 560 5,866 560 Loss on extinguishment of debt, net — 2,96 12,727 34 Other income (1,072) — (4,109) — Discontinued operations — (4,567) (23,083) (24,638) Gain on sale of real estate, net — — (4,641) — Total Net Operating Income (NOI) \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863		 2021	2020		2021		2020
Property management 1,685 1,463 6,133 6,145 General and administrative 7,700 5,988 27,538 23,951 Transformation costs 1,839 — 6,635 — Real estate depreciation and amortization 20,114 17,653 76,656 70,336 Loss on sale of real estate — 7,470 — 15,009 Interest expense 5,676 8,998 34,063 37,036 Loss on interest rate derivatives — 560 5,866 560 Loss on extinguishment of debt, net — 2,966 12,727 34 Other income (1,072) — (4,109) — Discontinued operations — 4,567 (23,083) (24,688) Gain on sale of real estate, net — — 4,667 (23,083) \$13,022 Multifamily NOI: — — — (4,641) — Same-store portfolio \$23,137 \$22,209 \$90,189 \$91,863 Acquisitions	Net (loss) income	\$ (6,796)	\$ (11,037)	\$	16,384	\$	(15,680)
General and administrative 7,700 5,988 27,538 23,951 Transformation costs 1,839 — 6,635 — Real estate depreciation and amortization 20,114 17,653 72,656 70,336 Loss on sale of real estate — 7,470 — 15,009 Interest expense 5,676 8,998 34,063 37,305 Loss on interest rate derivatives — 296 12,727 34 Other income (1,072) — (4,109) — Discontinued operations: — 296 12,727 34 Other income from operations of properties sold or held for sale — (4,567) (23,083) (24,688) Gain on sale of real estate, net — — 4,667 23,083 24,889 Gain on sale of real estate, net — — 4,66441 — — Waltifamily NOI: — — 4,66441 — — Same-store portfolio \$23,137 \$22,209 \$90,189 91,863<	Adjustments:						
Transformation costs 1,839 — 6,635 — Real estate depreciation and amortization 20,114 17,653 72,656 70,336 Loss on sale of real estate — 7,470 — 15,009 Interest expense 5,676 8,998 34,063 37,305 Loss on interest rate derivatives — 296 12,727 34 Other income (1,072) — (4,109) — Discontinued operations: — (4,567) (23,083) (24,638) Gain on sale of real estate, net — — (46,441) — Total Net Operating Income (NOI) \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total	Property management	1,685	1,463		6,133		6,145
Real estate depreciation and amortization 20,114 17,653 72,656 70,336 Loss on sale of real estate — 7,470 — 15,009 Interest expense 5,676 8,998 34,063 37,305 Loss on interest rate derivatives — 560 5,866 560 Loss on extinguishment of debt, net — 296 12,727 34 Other income (1,072) — (4,109) — Discontinued operations: — (4,567) (23,083) (24,638) Gain on sale of real estate, net — — (46,441) — Total Net Operating Income (NOI) \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185 Non-residential 25,803 22,444 95,438 92,286 <tr< td=""><td>General and administrative</td><td>7,700</td><td>5,988</td><td></td><td>27,538</td><td></td><td>23,951</td></tr<>	General and administrative	7,700	5,988		27,538		23,951
Loss on sale of real estate 7,470 — 15,009 Interest expense 5,676 8,998 34,063 37,305 Loss on interest rate derivatives — 560 5,866 560 Loss on extinguishment of debt, net — 296 12,727 34 Other income (1,072) — (4,109) — Discontinued operations: — (4,567) (23,083) (24,638) Gain on sale of real estate, net — — — (46,441) — Total Net Operating Income (NOI) \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 <td< td=""><td>Transformation costs</td><td>1,839</td><td>_</td><td></td><td>6,635</td><td></td><td>_</td></td<>	Transformation costs	1,839	_		6,635		_
Interest expense 5,676 8,998 34,063 37,305 Loss on interest rate derivatives — 560 5,866 560 Loss on extinguishment of debt, net — 296 12,727 34 Other income (1,072) — (4,109) — Discontinued operations: — (4,567) (23,083) (24,688) Gain on sale of real estate, net — — — (46,441) — Total Net Operating Income (NOI) * 29,146 * 20,308 \$ 113,022 Multifamily NOI: * * 22,209 * 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — 1,863 Acquisitions 1,1385 14 3,117 (185) Non-residential 160 221 3735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) <td>Real estate depreciation and amortization</td> <td>20,114</td> <td>17,653</td> <td></td> <td>72,656</td> <td></td> <td>70,336</td>	Real estate depreciation and amortization	20,114	17,653		72,656		70,336
Loss on interest rate derivatives — 560 5,866 560 Loss on extinguishment of debt, net — 296 12,727 34 Other income (1,072) — (4,109) — Discontinued operations: — (4,567) (23,083) (24,688) Gain on sale of real estate, net — — (46,441) — Total Net Operating Income (NOI) \$29,146 \$26,824 \$108,369 \$113,022 Multifamily NOI: Same-store portfolio \$23,137 \$22,209 \$90,189 \$91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$29,146 \$26	Loss on sale of real estate	_	7,470		_		15,009
Loss on extinguishment of debt, net — 296 12,727 34 Other income (1,072) — (4,109) — Discontinued operations Use of the properties sold or held for sale — (4,567) (23,083) (24,638) Gain on sale of real estate, net — — — (46,441) — Total Net Operating Income (NOI) \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 26,824 108,369 113,022	Interest expense	5,676	8,998		34,063		37,305
Other income (1,072) — (4,109) — Discontinued operations: Income from operations of properties sold or held for sale — (4,567) (23,083) (24,638) Gain on sale of real estate, net — — — (46,441) — Total Net Operating Income (NOI) \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209	Loss on interest rate derivatives	_	560		5,866		560
Discontinued operations: Income from operations of properties sold or held for sale — (4,567) (23,083) (24,638) Gain on sale of real estate, net — — — (46,441) — Total Net Operating Income (NOI) \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease	Loss on extinguishment of debt, net	_	296		12,727		34
Income from operations of properties sold or held for sale	Other income	(1,072)	_		(4,109)		_
Gain on sale of real estate, net — <	Discontinued operations:						
Multifamily NOI: \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Income from operations of properties sold or held for sale	_	(4,567)		(23,083)		(24,638)
Multifamily NOI: Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Gain on sale of real estate, net	 			(46,441)		
Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Total Net Operating Income (NOI)	\$ 29,146	\$ 26,824	\$	108,369	\$	113,022
Same-store portfolio \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)		 _	_				
Acquisitions 1,121 — 1,397 — Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Multifamily NOI:						
Development 1,385 14 3,117 (185) Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Same-store portfolio	\$ 23,137	\$ 22,209	\$	90,189	\$	91,863
Non-residential 160 221 735 608 Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Acquisitions	1,121	_		1,397		_
Total 25,803 22,444 95,438 92,286 Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Development	1,385	14		3,117		(185)
Watergate 600 NOI 3,343 3,105 12,931 12,853 Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Non-residential	 160	221		735		608
Other NOI (1) — 1,275 — 7,883 Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Total	25,803	22,444		95,438		92,286
Total NOI \$ 29,146 \$ 26,824 \$ 108,369 \$ 113,022 Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Watergate 600 NOI	3,343	3,105		12,931		12,853
Multifamily same-store NOI \$ 23,137 \$ 22,209 \$ 90,189 \$ 91,863 Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Other NOI (1)		1,275		_		7,883
Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)	Total NOI	\$ 29,146	\$ 26,824	\$	108,369	\$	113,022
Adjust: Straight-lining of apartment lease concessions 400 (410) 197 (613)							
	Multifamily same-store NOI	\$ 23,137	\$ 22,209	\$	90,189	\$	91,863
Multifamily same-store Cash NOI \$ 23,537 \$ 21,799 \$ 90,386 \$ 91,250	Adjust: Straight-lining of apartment lease concessions	 400	(410)		197		(613)
	Multifamily same-store Cash NOI	\$ 23,537	\$ 21,799	\$	90,386	\$	91,250

⁽¹⁾ Represents other continuing operations office properties sold in 2020: Monument II, 1227 25th Street, John Marshall II

Washington Real Estate Investment Trust

The following table contains a reconciliation of net (loss) income to core funds from operations for the periods presented (in thousands, except per share data):

		Three Mon Decem		Twelve Mo Decem	 	
		2021	2020	2021	2020	
Net (loss) income	\$	(6,796)	\$ (11,03	37)	\$ 16,384	\$ (15,680)
Add:						
Real estate depreciation and amortization		20,114	17,65	53	72,656	70,336
Loss on sale of depreciable real estate		_	7,47	70	_	15,009
Discontinued operations:						
Gain on sale of real estate, net		_	-	_	(46,441)	_
Real estate depreciation and amortization			12,58	88	22,904	49,694
NAREIT funds from operations		13,318	26,67	4	65,503	119,359
Add:						
Loss on extinguishment of debt, net		_	29	96	12,727	34
Loss on interest rate derivatives		_	56	0	5,866	560
Severance expense		_	-	_	173	_
Transformation costs		1,839	-	_	6,635	_
Insurance gain	_	(1,026)			(1,026)	
Core funds from operations	\$	14,131	\$ 27,53	30	\$ 89,878	\$ 119,953

		Three Mon Decem			Twelve Mo Decem	
Per share data:		2021	2020	2021	2020	
NAREIT FFO	(Basic)	\$ 0.16	\$	0.32	\$ 0.77	\$ 1.44
	(Diluted)	\$ 0.16	\$	0.32	\$ 0.77	\$ 1.44
Core FFO	(Basic)	\$ 0.17	\$	0.33	\$ 1.06	\$ 1.45
	(Diluted)	\$ 0.17	\$	0.33	\$ 1.06	\$ 1.45
Weighted average shares outstanding - basic		84,804		82,962	84,544	82,348
Weighted average shares outstanding - diluted (for NAREIT and Core FFO)		84.911		83.093	84.629	82.516

Non-GAAP Financial Measures

Adjusted EBITDA is earnings before interest expense, taxes, depreciation, amortization, gain/loss on sale of real estate, casualty gain/loss, real estate impairment, gain/loss on extinguishment of debt, gain/loss on interest rate derivatives, severance expense, acquisition expenses and gain from non-disposal activities and transformation costs. Adjusted EBITDA is included herein because we believe it helps investors and lenders understand our ability to incur and service debt and to make capital expenditures. Adjusted EBITDA is a non-GAAP and non-standardized measure and may be calculated differently by other REITs.

Adjusted Funds From Operations ("AFFO") is a non-GAAP measure. It is calculated by subtracting from 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. AFFO is included herein, because we consider it to be a performance measure of a REIT's ability to incur and service debt and to distribute dividends to its shareholders. AFFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Core Adjusted Funds From Operations ("Core AFFO") is calculated by adjusting AFFO 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 and gains or losses on interest rate derivatives, (2) costs related to the acquisition of properties, (3) non-share-based executive transition costs, severance expenses and other expenses related to corporate restructuring and executive retirements or resignations, (4) property impairments, casualty gains and losses, and gains or losses on sale not already excluded from FAD, as appropriate, (5) relocation expense and (6) transformation costs. 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 AFFO serves as a useful, supplementary performance measure of Washington REIT's ability to incur and service debt, and distribute dividends to its shareholders. Core AFFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

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 and gains or losses on interest rate derivatives, (2) expenses related to acquisition and structuring activities, (3) executive transition costs, severance expenses and other expenses related to corporate restructuring and executive retirements or resignations, (4) property impairments, casualty gains and losses, and gains or losses on sale not already excluded from NAREIT FFO, as appropriate, (5) relocation expense and (6) transformation costs. 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.

NAREIT Funds From Operations ("FFO") is defined by 2018 National Association of Real Estate Investment Trusts, Inc. ("NAREIT") FFO White Paper Restatement, as net income (computed in accordance with generally accepted accounting principles ("GAAP")) excluding gains (or losses) associated with sales of properties, impairments 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. Our FFO may not be comparable to FFO reported by other real estate investment trusts. These other REITs may not define the term in accordance with the current NAREIT definition differently. NAREIT FFO is a non-GAAP measure.

Net Operating Income ("NOI"), defined as real estate rental revenue less direct real estate operating expenses, is a non-GAAP measure. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain or loss on sale, if any), plus interest expense, depreciation and amortization, lease origination expenses, general and administrative expenses, acquisition costs, real estate impairment, casualty gain and losses and gain or loss on extinguishment of debt. NOI does not include management expenses, which consist of corporate property management costs and property management fees paid to third parties. They are the primary performance measures we use to assess the results of our operations at the property level. We also present NOI on a cash basis ("Cash NOI") which is calculated as NOI less the impact of straight-lining apartment rent concessions. We believe that each of NOI and Cash NOI is a useful performance measure because, when compared across periods, they reflect the impact on operations of trends in occupancy rates, rental rates and operating costs on an unleveraged basis, providing perspective not immediately apparent from net income. NOI and Cash NOI exclude certain components from net income in order to provide results more closely related to a property's results of operations. For example, interest expense is not necessarily

linked to the operating performance of a real estate asset. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. As a result of the foregoing, we provide each NOI and Cash NOI as a supplement to net income, calculated in accordance with GAAP. NOI and Cash NOI do not represent net income or income from continuing operations calculated in accordance with GAAP. As such, neither should be considered an alternative to these measures as an indication of our operating performance.

Other Definitions

Average Effective Monthly Rent Per Home represents the average of effective rent (net of concessions) for in-place leases and the market rent for vacant homes.

Average Occupancy is based on average daily occupied apartment homes as a percentage of total apartment homes.

Current Strategy represents the class of each community in our portfolio based on a set of criteria. Our strategies consist of the following subcategories: Class A, Class A-, Class B Value-Add and Class B. A community's class is dependent on a variety of factors, including its vintage, site location, amenities and services, rent growth drivers and rent relative to the market.

- Class A communities are recently-developed, well-located, have competitive amenities and services and command average rental rates well above market median rents.
- Class A- communities have been developed within the past 20 years and feature operational improvements and unit upgrades and command rents at or above median market rents.
- Class B Value-Add communities are over 20 years old but feature operational improvements and strong potential for unit renovations. These communities command average rental rates below median market rents for units that have not been renovated.
- Class B communities are over 20 years old, feature operational improvements and command average rental rates below median market rents.

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.

Ending Occupancy is calculated as occupied homes as a percentage of total homes as of the last day of that period.

Lease Rate Growth is defined as the average percentage change in either gross (excluding the impact of concessions) or effective rent (net of concessions) for a new or renewed lease compared to the prior lease based on the move-in date. The blended rate represents the weighted average of new and renewal lease rate growth achieved.

Recurring Capital Expenditures represent non-accretive building improvements 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".

Retention represents the percentage of leases renewed that were set to expire in the period presented.

Same-store Portfolio Properties include properties that were owned for the entirety of the years being compared, and exclude properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared. We categorize our properties as "same-store" or "non-same-store" for purposes of evaluating comparative operating performance. We define development properties as those for which we have planned or ongoing major construction activities on existing or acquired land pursuant to an authorized development plan. Development properties are categorized as same-store when they have reached stabilized occupancy (90%) before the start of the prior year. We define redevelopment properties as those for which have planned or ongoing significant development and construction activities on existing or acquired buildings pursuant to an authorized plan, which has an impact on current operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. We categorize a redevelopment property as same-store when redevelopment activities have been complete for the majority of each year being compared.

Transformation Costs include costs related to the strategic transformation including the allocation of internal costs, consulting, advisory and termination benefits.

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



	Twelve Months Ended					Three Months Ended											
OPERATING RESULTS	12/3	12/31/2021		/31/2020	-	12/31/2021	9	9/30/2021	6	6/30/2021	3	3/31/2021	1	2/31/2020			
Revenues																	
Real estate rental revenue	\$ 169	9,151	\$ 1	76,004	\$	44,748	\$	42,499	\$	41,297	\$	40,607	\$	42,788			
Expenses																	
Property operating and maintenance	(38	3,741)		(39,625)		(10,086)		(9,901)		(9,359)		(9,395)		(10,027)			
Real estate taxes and insurance	(22	2,041)		(23,357)		(5,516)		(5,544)		(5,385)		(5,596)		(5,937)			
Property management	(6	6,133)		(6,145)		(1,685)		(1,499)		(1,486)		(1,463)		(1,463)			
General and administrative	(2	7,538)		(23,951)		(7,700)		(7,909)		(6,325)		(5,604)		(5,988)			
Transformation costs	(6	6,635)		_		(1,839)		(1,016)		(3,780)		_		_			
Depreciation and amortization	(72	2,656)		(70,336)		(20,114)		(18,252)		(17,303)		(16,987)		(17,653)			
	(173	3,744)	(1	63,414)		(46,940)		(44,121)		(43,638)		(39,045)		(41,068)			
Loss on sale of real estate				(15,009)										(7,470)			
Real estate operating (loss) income	(4	4,593)		(2,419)		(2,192)		(1,622)		(2,341)		1,562		(5,750)			
Other income (expense)																	
Interest expense	(34	4,063)	((37,305)		(5,676)		(8,106)		(10,158)		(10,123)		(8,998)			
Loss on interest rate derivatives	(!	5,866)		(560)		_		(106)		(5,760)		_		(560)			
Loss on extinguishment of debt	(12	2,727)		(34)		_		(12,727)		_		_		(296)			
Other income		4,109				1,072		231		1,522		1,284		_			
Loss from continuing operations	(53	3,140)		(40,318)		(6,796)		(22,330)		(16,737)		(7,277)		(15,604)			
Discontinued operations:																	
Income from operations of properties sold or held for sale	23	3,083		24,638		_		7,208		9,745		6,130		4,567			
Gain on sale of real estate, net	46	5,441			L			46,441						_			
Income from discontinued operations	69	9,524		24,638				53,649		9,745		6,130		4,567			
Net income (loss)	\$ 16	5,384	\$	(15,680)	\$	(6,796)	\$	31,319	\$	(6,992)	\$	(1,147)	\$	(11,037)			
Per Share Data:																	
Net income (loss)	\$	0.19	\$	(0.20)	\$	(80.0)	\$	0.37	\$	(80.0)	\$	(0.02)	\$	(0.13)			
Fully diluted weighted average shares outstanding	84	1,544		82,348		84,804		84,496		84,461		84,413		82,962			
Percentage of Revenues:																	
General and administrative expenses		16.3 %		13.6 %		17.2 %		18.6 %		15.3 %		13.8 %		14.0 %			
Ratios:																	
Adjusted EBITDA / Interest expense		3.7x		4.2x		3.5x		3.1x		4.0x		3.9x		4.1x			
Net income (loss) / Real estate rental revenue		9.7 %		(8.9)%		(15.2)%		73.7 %		(16.9)%		(2.8)%		(25.8)%			

Consolidated Balance Sheets (In thousands, except per share data) (Unaudited)



Assets Saccess \$ 300,000 \$ 301,700 \$ 301,700 \$ 301,700 \$ 301,700 \$ 301,700 \$ 301,700 \$ 301,700 \$ 301,700 \$ 301,700 \$ 301,700 \$ 1,642,147 1,642,147 1,642,147 1,480,975 1,483,774 1,473,335 1,750,044 \$ 301,700 \$		12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Income producing property	Assets					
Accumulated depreciation and amortization 1,964,770 (402,560) (384,392) (387,519) (351,33) (355,006) 1,750,044 (302,500) (384,692) (387,519) (351,33) (355,006) 1,303,006 (355,006) 1,304,008 1,400,088 1,775,044 (302,500) (384,692) (387,519) (387,513) (355,006) 1,304,008 1,400,088 1,404,008 1,400,088 1,404,008 1,404,008 1,404,008 1,404,008 1,405,008 1,404,008 1,406,008 <	Land	\$ 322,623	\$ 306,507	\$ 301,709	\$ 301,709	\$ 301,709
Accumulated depreciation and amortization (402,560) (384,302) (351,131) (335,006) Net income producing propent or held for future development 1,562,210 1,466,332 1,425,165 1,343,500 1,440,608 Properties under development or held for future development 30,631 30,254 30,065 29,718 36,494 Total real estate held for investment, net 1,592,841 1,496,586 1,455,230 1,464,088 1,476,532 Investment in real estate held for sale, net 233,600 307,797 5,435 3,015 7,697 Cash and cash equivalents 233,600 307,797 5,435 3,015 7,697 Rents and other receivables 15,067 14,713 15,079 13,492 11,888 Prepaid expenses and other assets 33,866 33,109 28,297 28,126 29,587 Other assets related to properties sold or held for sale 18,675,994 1,852,810 2,368,055 \$280,036 \$7,834 Total issue 496,945 496,823 945,905 \$945,034 \$45,530 Libel file	Income producing property	1,642,147	1,544,217	1,490,975	1,483,774	1,473,335
Net income producing property 1,562,210 1,466,332 1,425,165 1,434,350 1,440,038 Properties under development or held for future development 30,631 30,284 30,065 29,718 36,484 Total real estate held for investment, net 1,592,841 1,496,566 1,455,230 1,464,068 1,476,532 Investment in real estate held for sale, net 233,600 307,797 5,435 3,015 7,697 Cash and cash equivalents 620 605 595 566 593 Rents and other receivables 15,067 14,713 15,079 13,492 11,888 Prepaid expenses and other assets 33,866 33,109 28,297 28,126 29,587 Other assets related to properties sold or held for sale — — — 84,648 85,006 87,834 Total assets § 1,875,994 \$1,852,810 \$2,380,036 \$2,496,818 \$496,818 \$496,823 \$945,905 \$945,634 \$945,370 Liabilities 1,650 \$496,946 \$496,823 \$945,905 \$945,63		1,964,770	1,850,724	1,792,684	1,785,483	1,775,044
Properties under development or held for future development. 30,831 30,254 30,065 29,718 36,494 Total real estate held for investment, net 1,592,841 1,496,586 1,455,230 1,464,088 1,476,523 Investment in real estate held for sale, net − − 79,121 785,763 795,877 Restricted cash 233,600 307,797 5,435 3,015 7,967 Rents and other receivables 15,067 14,713 15,079 31,402 11,888 Prepaid expenses and other assets 33,866 33,109 28,297 28,126 29,587 Other assets related to properties sold or held for sale 1,875,994 1,882,810 2,884,00 28,00 87,838 Total assets 8 4,969,40 \$,496,823 \$94,503 \$94,503 \$94,530 \$94,537 Lios bilities 4 4,968,23 \$94,503 \$94,503 \$94,537 \$1,400 \$1,400 \$1,400 \$1,400 \$1,400 \$1,400 \$1,400 \$1,400 \$1,400 \$1,400 \$1,400 <	Accumulated depreciation and amortization	(402,560)	(384,392)	(367,519)	(351,133)	(335,006)
Total real estate held for investment, net Investment in real estate held for sale, net Cash and cash equivalents 1,592,841 1,496,586 1,455,230 1,464,068 1,476,532 795,687 795,687 795,687 795,687 789,687 789,687 Restricted cash 620 605 595 566 593 <th< td=""><td>Net income producing property</td><td>1,562,210</td><td>1,466,332</td><td> 1,425,165</td><td>1,434,350</td><td>1,440,038</td></th<>	Net income producing property	1,562,210	1,466,332	 1,425,165	1,434,350	1,440,038
Investment in real estate held for sale, net 233,600 307,797 5,435 3,015 7,697 6,835 3,015 7,697 6,835 3,015 7,697 6,935 6,665 5,666 5,935 6,665 6,505 6,666 6,936 6,005 6	Properties under development or held for future development	30,631	30,254	30,065	29,718	36,494
Cash and cash equivalents 233,600 307,797 5,435 3,015 7,697 Restricted cash 620 605 595 566 593 Rents and other receivables 15,067 14,713 15,079 13,492 11,888 Prepaid expenses and other assets 33,866 33,109 28,297 28,126 29,587 Other assets related to properties sold or held for sale — — 8,4648 85,006 87,834 Total assets — 496,946 \$1,852,810 \$2,368,405 \$945,030 \$2,409,818 Notes payable, net 496,946 \$496,823 \$945,905 \$945,634 \$945,370 Line of credit — — 43,000 33,000 42,000 Accounts payable and other liabilities 40,585 38,864 47,897 44,241 44,067 Dividend payable 14,640 14,440 25,474 4254 25,361 Advance rents 2,082 1,747 1,572 1,667 2,461 Other liabilities	Total real estate held for investment, net	 1,592,841	1,496,586	1,455,230	1,464,068	1,476,532
Restricted cash 620 605 595 566 593 Rents and other receivables 15,067 14,713 15,079 13,492 11,888 Prepaid expenses and other assets 33,866 33,109 28,297 28,126 29,587 Other assets related to properties sold or held for sale	Investment in real estate held for sale, net	_	_	779,121	785,763	795,687
Rents and other receivables 15,067 14,713 15,079 13,492 11,888 Prepaid expenses and other assets 33,866 33,109 28,297 28,126 29,587 Other assets related to properties sold or held for sale 1,875,994 1,852,810 2,368,005 2,300,036 2,409,818 Total assets 8,496,994 8,496,823 945,905 \$45,634 945,370 Line of credit 4,585 3,864 47,897 44,241 44,067 Line of credit 40,585 3,864 47,897 44,241 44,067 Accounts payable and other liabilities 40,585 14,440 25,474 25,424 25,361 Advance rents 2,082 1,747 1,572 1,667 2,461 Evaluation of tredition of poperties sold or held for sale 558,932 556,354 1,091,970 1,081,134 4,256 Advance rents 5,589,32 556,354 1,091,970 1,081,134 1,088,709 Other liabilities related to properties sold or held for sale 5,589,32 556,354 1,091,970<	Cash and cash equivalents	233,600	307,797	5,435	3,015	7,697
Prepaid expenses and other assets 33,866 33,109 28,297 28,126 29,587 Other assets related to properties sold or held for sale ————————————————————————————————————	Restricted cash	620	605	595	566	593
Other assets related to properties sold or held for sale — 84,648 85,006 87,834 Total assets 1,855,994 1,855,994 2,368,405 2,380,036 2,409,818 Libilities 8496,946 496,823 945,905 945,634 9945,370 Line of credit — — 43,000 33,000 42,000 Accounts payable and other liabilities 40,585 38,864 47,897 44,241 44,067 Dividend payable 14,660 14,460 25,474 25,424 25,361 Advance rents 2,082 1,747 1,572 1,667 2,461 Tenant security deposits 4,669 4,480 4,374 4,256 4,221 Other liabilities related to properties sold or held for sale 558,932 556,354 1,091,970 1,081,134 1,088,709 Freferred shares; \$0.01 par value; 10,000 shares authorized Shares of beneficial interest, \$0.01 par value; 150,000 shares authorized 863 846 846 846 846 Shares of beneficial interest, \$0.01 par value; 150,000 shares 1,697,477<	Rents and other receivables	15,067	14,713	15,079	13,492	11,888
Total assets \$ 1,875,994 \$ 1,855,810 \$ 2,368,405 \$ 2,380,366 \$ 2,409,818 Liabilities \$ 496,946 \$ 496,823 \$ 945,905 \$ 945,634 \$ 945,370 Line of credit	Prepaid expenses and other assets	33,866	33,109	28,297	28,126	29,587
Liabilities Notes payable, net \$ 496,946 \$ 496,823 \$ 945,905 \$ 945,634 \$ 945,370 Line of credit — — 43,000 33,000 42,000 Accounts payable and other liabilities 40,585 38,864 47,897 44,241 44,067 Dividend payable 14,650 14,440 25,474 25,424 25,361 Advance rents 2,082 1,747 1,572 1,667 2,461 Tenant security deposits 4,669 4,480 4,374 4,256 4,221 Other liabilities related to properties sold or held for sale — — — 23,748 26,912 25,229 Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Fequity Preferred shares; \$0.01 par value; 10,000 shares authorized —	Other assets related to properties sold or held for sale	_	_	84,648	85,006	87,834
Notes payable, net \$ 496,946 \$ 496,823 \$ 945,905 \$ 945,634 \$ 945,370 Line of credit ————————————————————————————————————	Total assets	\$ 1,875,994	\$ 1,852,810	\$ 2,368,405	\$ 2,380,036	\$ 2,409,818
Line of credit — — 43,000 33,000 42,000 Accounts payable and other liabilities 40,585 38,864 47,897 44,241 44,067 Dividend payable 14,650 14,440 25,474 25,424 25,361 Advance rents 2,082 1,747 1,572 1,667 2,461 Tenant security deposits 4,669 4,480 4,374 4,256 4,221 Other liabilities related to properties sold or held for sale — — — 23,748 26,912 25,229 Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Equity Preferred shares; \$0.01 par value; 10,000 shares authorized —	Liabilities					
Accounts payable and other liabilities 40,585 38,864 47,897 44,241 44,067 Dividend payable 14,650 14,440 25,474 25,424 25,361 Advance rents 2,082 1,747 1,572 1,667 2,461 Tenant security deposits 4,669 4,480 4,374 4,256 4,221 Other liabilities related to properties sold or held for sale — — — 23,748 26,912 25,229 Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Equity Preferred shares; \$0.01 par value; 10,000 shares authorized — <t< td=""><td>Notes payable, net</td><td>\$ 496,946</td><td>\$ 496,823</td><td>\$ 945,905</td><td>\$ 945,634</td><td>\$ 945,370</td></t<>	Notes payable, net	\$ 496,946	\$ 496,823	\$ 945,905	\$ 945,634	\$ 945,370
Dividend payable 14,650 14,440 25,474 25,424 25,361 Advance rents 2,082 1,747 1,572 1,667 2,461 Tenant security deposits 4,669 4,480 4,374 4,256 4,221 Other liabilities related to properties sold or held for sale — — 23,748 26,912 25,229 Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Equity Preferred shares; \$0.01 par value; 10,000 shares authorized —	Line of credit	_	_	43,000	33,000	42,000
Advance rents 2,082 1,747 1,572 1,667 2,461 Tenant security deposits 4,669 4,480 4,374 4,256 4,221 Other liabilities related to properties sold or held for sale — — 23,748 26,912 25,229 Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Equity Preferred shares; \$0.01 par value; 10,000 shares authorized — <td>Accounts payable and other liabilities</td> <td>40,585</td> <td>38,864</td> <td>47,897</td> <td>44,241</td> <td>44,067</td>	Accounts payable and other liabilities	40,585	38,864	47,897	44,241	44,067
Tenant security deposits 4,669 4,480 4,374 4,256 4,221 Other liabilities related to properties sold or held for sale — — — 23,748 26,912 25,229 Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Equity Preferred shares; \$0.01 par value; 10,000 shares authorized —	Dividend payable	14,650	14,440	25,474	25,424	25,361
Other liabilities related to properties sold or held for sale — — 23,748 26,912 25,229 Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Equity Preferred shares; \$0.01 par value; 10,000 shares authorized — — — — — — Shares of beneficial interest, \$0.01 par value; 150,000 shares authorized 863 846 846 846 844 Additional paid-in capital 1,697,477 1,656,821 1,654,409 1,651,680 1,649,366 Distributions in excess of net income (362,494) (341,052) (357,934) (325,469) (298,860) Accumulated other comprehensive loss (19,091) (20,468) (21,200) (28,473) (30,563) Total shareholders' equity 1,316,755 1,296,147 1,276,121 1,298,584 1,320,787 Noncontrolling interests in subsidiaries 307 309 314 318 322 Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109 <td>Advance rents</td> <td>2,082</td> <td>1,747</td> <td>1,572</td> <td>1,667</td> <td>2,461</td>	Advance rents	2,082	1,747	1,572	1,667	2,461
Total liabilities 558,932 556,354 1,091,970 1,081,134 1,088,709 Equity Preferred shares; \$0.01 par value; 10,000 shares authorized —	Tenant security deposits	4,669	4,480	4,374	4,256	4,221
Equity Preferred shares; \$0.01 par value; 10,000 shares authorized —	Other liabilities related to properties sold or held for sale	 _	_	 23,748	26,912	25,229
Preferred shares; \$0.01 par value; 10,000 shares authorized —	Total liabilities	 558,932	556,354	 1,091,970	1,081,134	1,088,709
Shares of beneficial interest, \$0.01 par value; 150,000 shares authorized 863 846 846 846 844 Additional paid-in capital 1,697,477 1,656,821 1,654,409 1,651,680 1,649,366 Distributions in excess of net income (362,494) (341,052) (357,934) (325,469) (298,860) Accumulated other comprehensive loss (19,091) (20,468) (21,200) (28,473) (30,563) Total shareholders' equity 1,316,755 1,296,147 1,276,121 1,298,584 1,320,787 Noncontrolling interests in subsidiaries 307 309 314 318 322 Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109	Equity					
Additional paid-in capital 1,697,477 1,656,821 1,654,409 1,651,680 1,649,366 Distributions in excess of net income (362,494) (341,052) (357,934) (325,469) (298,860) Accumulated other comprehensive loss (19,091) (20,468) (21,200) (28,473) (30,563) Total shareholders' equity 1,316,755 1,296,147 1,276,121 1,298,584 1,320,787 Noncontrolling interests in subsidiaries 307 309 314 318 322 Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109	Preferred shares; \$0.01 par value; 10,000 shares authorized	_	_	_	_	_
Distributions in excess of net income (362,494) (341,052) (357,934) (325,469) (298,860) Accumulated other comprehensive loss (19,091) (20,468) (21,200) (28,473) (30,563) Total shareholders' equity 1,316,755 1,296,147 1,276,121 1,298,584 1,320,787 Noncontrolling interests in subsidiaries 307 309 314 318 322 Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109	Shares of beneficial interest, \$0.01 par value; 150,000 shares authorized	863	846	846	846	844
Accumulated other comprehensive loss (19,091) (20,468) (21,200) (28,473) (30,563) Total shareholders' equity 1,316,755 1,296,147 1,276,121 1,298,584 1,320,787 Noncontrolling interests in subsidiaries 307 309 314 318 322 Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109	Additional paid-in capital	1,697,477	1,656,821	1,654,409	1,651,680	1,649,366
Total shareholders' equity 1,316,755 1,296,147 1,276,121 1,298,584 1,320,787 Noncontrolling interests in subsidiaries 307 309 314 318 322 Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109	Distributions in excess of net income	(362,494)	(341,052)	(357,934)	(325,469)	(298,860)
Noncontrolling interests in subsidiaries 307 309 314 318 322 Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109	Accumulated other comprehensive loss	(19,091)	(20,468)	(21,200)	(28,473)	(30,563)
Total equity 1,317,062 1,296,456 1,276,435 1,298,902 1,321,109	Total shareholders' equity	 1,316,755	1,296,147	1,276,121	1,298,584	1,320,787
	Noncontrolling interests in subsidiaries	307	309	314	318	322
Total liabilities and equity \$ 1,875,994 \$ 1,852,810 \$ 2,368,405 \$ 2,380,036 \$ 2,409,818	Total equity	1,317,062	1,296,456	1,276,435	1,298,902	 1,321,109
	Total liabilities and equity	\$ 1,875,994	\$ 1,852,810	\$ 2,368,405	\$ 2,380,036	\$ 2,409,818

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



		Twelve Mo	nths	Ended										
	12	2/31/2021	1	2/31/2020		12/31/2021	9	9/30/2021	6	3/30/2021	3	3/31/2021	12	/31/2020
Funds from operations (FFO) ⁽¹⁾					Г									
Net income (loss)	\$	16,384	\$	(15,680)	\$	(6,796)	\$	31,319	\$	(6,992)	\$	(1,147)	\$	(11,037)
Real estate depreciation and amortization		72,656		70,336		20,114		18,252		17,303		16,987		17,653
Loss on sale of depreciable real estate		_		15,009		_		_		_		_		7,470
Discontinued operations:														
Gain on sale of depreciable real estate, net		(46,441)		_		_		(46,441)		_		_		_
Real estate depreciation and amortization		22,904		49,694						10,248		12,656		12,588
NAREIT funds from operations (FFO)		65,503		119,359		13,318		3,130		20,559		28,496		26,674
Loss on extinguishment of debt		12,727		34		_		12,727		_		_		296
Loss on interest rate derivatives		5,866		560		_		106		5,760		_		560
Severance expense		173		_		_		_		_		173		_
Transformation costs		6,635		_		1,839		1,016		3,780		_		_
Insurance gain		(1,026)			L	(1,026)								
Core FFO (1)	\$	89,878	\$	119,953	\$	14,131	\$	16,979	\$	30,099	\$	28,669	\$	27,530
Allocation to participating securities (2)		(393)		(545)		(44)		(73)		(137)		(139)		(92)
NAREIT FFO per share - basic	\$	0.77	\$	1.44	\$	0.16	\$	0.04	\$	0.24	\$	0.34	\$	0.32
NAREIT FFO per share - fully diluted	\$	0.77	\$	1.44	\$	0.16	\$	0.04	\$	0.24	\$	0.34	\$	0.32
Core FFO per share - fully diluted	\$	1.06	\$	1.45	\$	0.17	\$	0.20	\$	0.35	\$	0.34	\$	0.33
Common dividend per share	\$	0.94	\$	1.20	\$	0.17	\$	0.17	\$	0.30	\$	0.30	\$	0.30
Average shares - basic		84,544		82,348		84,804		84,496		84,461		84,413		82,962
Average shares - fully diluted (for NAREIT FFO and Core FFO)		84,629		82,516		84,911		84,586		84,519		84,495		83,093

See "Definitions" on page 11 for the definitions of NAREIT FFO and Core FFO.

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

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



	Twelve Months Ended				Thr	ee N	Months Ende	ed					
	12	2/31/2021	12	2/31/2020		12/31/2021	 9/30/2021	6	/30/2021	3	/31/2021	12	/31/2020
Adjusted funds from operations (AFFO) (1)					Г								
NAREIT FFO	\$	65,503	\$	119,359	\$	13,318	\$ 3,130	\$	20,559	\$	28,496	\$	26,674
Non-cash loss (gain) on extinguishment of debt		833		(881)		_	833		_		_		296
Tenant improvements and incentives, net of reimbursements		(1,546)		(13,212)		(642)	(331)		(1,112)		539		(6,250)
Leasing commissions capitalized		(2,808)		(3,852)		(24)	(378)		(1,868)		(538)		(1,445)
Recurring capital improvements		(4,874)		(5,044)		(1,366)	(1,485)		(1,156)		(867)		(2,164)
Straight-line rent, net		(1,738)		(1,758)		(218)	(347)		(625)		(548)		82
Non-cash fair value interest expense		_		(59)		_	_		_		_		_
Non-real estate depreciation and amortization of debt costs		5,265		3,795		1,241	1,330		1,350		1,344		987
Amortization of lease intangibles, net		368		1,942		(172)	(32)		195		377		477
Amortization and expensing of restricted share and unit compensation $^{(2)}$		8,553		7,873		2,075	2,651		2,163		1,664		1,972
AFFO		69,556		108,163	Г	14,212	5,371		19,506		30,467		20,629
Cash loss on extinguishment of debt		11,894		915		_	11,894		_		_		_
Loss on interest rate derivatives		5,866		560		_	106		5,760				560
Non-share-based severance expense		103		_	l		_		_		103		_
Transformation costs (3)		6,179		_		1,802	674		3,703		_		_
Insurance gain		(1,026)			L	(1,026)							
Core AFFO (1)	\$	92,572	\$	109,638	\$	14,988	\$ 18,045	\$	28,969	\$	30,570	\$	21,189

See "Definitions" on page 11 for the definitions of AFFO and Core AFFO

⁽²⁾ Includes share award modifications related to transformation costs

Excludes share award modifications related to transformation costs



	Apartment	Homes as of		ths Ended				Th	ree l	Months End	nded			
	Homes as of 12/31/2021	12/31/20	21	12/31/2020	1:	2/31/2021	9	/30/2021	6	/30/2021	3	/31/2021	12	2/31/2020
Rental and other property revenues														
Same-store (1)	6,658	\$ 141,30	1	\$ 142,856	\$	35,660	\$	35,408	\$	35,321	\$	34,912	\$	35,205
Acquisitions (2)	730	2,26	2	_		1,774		488		_		_		_
Development (3)	401	6,37	5	1,394		2,223		1,846		1,330		976		698
Non-residential (4)	N/A	1,02	7	888		233		304		211		279		293
Total rental and other property revenues	7,789	150,96	5	145,138		39,890		38,046		36,862		36,167		36,196
Property operating expenses														
Same-store		51,11	2	50,993		12,523		13,003		12,550		13,036		12,996
Acquisitions		86	5	_		653		212		_		_		_
Development		3,25	8	1,579		838		846		853		721		684
Non-residential		29	2	280		73		85		65		69		72
Total property operating expenses		55,52	7	52,852		14,087		14,146		13,468		13,826		13,752
Net Operating Income (NOI)														
Same-store		90,18	9	91,863		23,137		22,405		22,771		21,876		22,209
Acquisitions		1,39	7	_		1,121		276		_		_		_
Development		3,11	7	(185)		1,385		1,000		477		255		14
Non-residential		73	5	608		160		219		146		210		221
Total NOI		\$ 95,43	8	\$ 92,286	\$	25,803	\$	23,900	\$	23,394	\$	22,341	\$	22,444
Same-store metrics														
Operating margin		6	4 %	64 %		65 %		63 %		64 %		63 %		63 %
Retention		6	0 %	57 %		72 %		60 %		57 %		51 %		51 %
Effective lease rate growth														
New		(3	0)%	(7.8)%		8.7 %		3.2 %		(8.1)%		(15.0)%		(15.1)%
Renewal		4	8 %	2.3 %		8.2 %		5.1 %		3.5 %		1.9 %		2.6 %
Blended		1	3 %	(2.1)%		8.4 %		4.3 %		(2.1)%		(6.8)%		(6.4)%

⁽¹⁾ Includes properties that were owned for the entirety of the years being compared, and excludes properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared.

^[2] Includes properties that were acquired during one of the years presented. An acquired property is categorized as same-store when it has been owned for the entirety of the years being compared.

Includes properties for which we have planned or ongoing major construction activities on existing or acquired land pursuant to an authorized development plan. We consider a property's development activities to be complete when the property is ready for its intended use. The property is categorized as same-store when it has been ready for its intended use for the entirety of the years being compared.

⁽⁴⁾ Includes revenues and expenses from retail operations at multifamily properties.

Same-Store Operating Results - Multifamily (Dollars in thousands, except Average Effective Monthly Rent per Home)



			nd Other Pr Revenue	operty	Property Operating Expenses			Net Op	perating Inc	ome	Avera	ge Occupa	ancy	Average Effective Monthly Rent per Home				
Quarter-to-Date Comparison	Apt Homes	Q4 2021	Q4 2020	% Chg	Q4 2021	Q4 2020	% Chg	Q4 2021	Q4 2020	% Chg	Q4 2021	Q4 2020	% Chg	Q4 2021	Q4 2020	% Chg		
Virginia	5,138	\$ 27,875	\$ 27,324	2.0 %	\$ 9,574	\$ 10,045	(4.7)%	\$18,301	\$ 17,279	5.9 %	95.8 %	94.3 %	1.5 %	\$ 1,710	\$ 1,686	1.4 %		
DC / Maryland	1,520	7,785	7,881	(1.2)%	2,949	2,951	(0.1)%	4,836	4,930	(1.9)%	96.0 %	93.0 %	3.0 %	1,703	1,744	(2.4)%		
DC Metro Total	6,658	\$ 35,660	\$ 35,205	1.3 %	\$ 12,523	\$ 12,996	(3.6)%	\$23,137	\$ 22,209	4.2 %	95.9 %	94.0 %	1.9 %	\$ 1,708	\$ 1,699	0.5 %		
Sequential Comparison	Apt Homes	Q4 2021	Q3 2021	% Chg	Q4 2021	Q3 2021	% Chg	Q4 2021	Q3 2021	% Chg	Q4 2021	Q3 2021	% Chg	Q4 2021	Q3 2021	% Chg		
Virginia	5,138	\$ 27,875	\$ 27,650	0.8 %	\$ 9,574	\$ 10,072	(4.9)%	\$18,301	\$ 17,578	4.1 %	95.8 %	95.8 %	— %	\$ 1,710	\$ 1,665	2.7 %		
DC / Maryland	1,520	7,785	7,758	0.3 %	2,949	2,931	0.6 %	4,836	4,827	0.2 %	96.0 %	95.8 %	0.2 %	1,703	1,672	1.9 %		
DC Metro Total	6,658	\$ 35,660	\$ 35,408	0.7 %	\$ 12,523	\$ 13,003	(3.7)%	\$23,137	\$ 22,405	3.3 %	95.9 %	95.8 %	0.1 %	\$ 1,708	\$ 1,666	2.5 %		
Year-to-Date Comparison	Apt Homes	YTD 2021	YTD 2020	% Chg	YTD 2021	YTD 2020	% Chg	YTD 2021	YTD 2020	% Chg	YTD 2021	YTD 2020	% Chg	YTD 2021	YTD 2020	% Chg		
Virginia	5,138	\$110,341	\$110,847	(0.5)%	\$ 39,311	\$ 39,670	(0.9)%	\$71,030	\$ 71,177	(0.2)%	95.5 %	94.7 %	0.8 %	\$ 1,676	\$ 1,711	(2.0)%		
DC / Maryland	1,520	30,960	32,009	(3.3)%	11,801	11,323	4.2 %	19,159	20,686	(7.4)%	94.5 %	93.9 %	0.6 %	1,693	1,761	(3.9)%		
DC Metro Total	6,658	\$141,301	\$142,856	(1.1)%	\$51,112	\$ 50,993	0.2 %	\$90,189	\$ 91,863	(1.8)%	95.3 %	94.5 %	0.8 %	\$ 1,680	\$ 1,723	(2.5)%		

Same-Store Operating Expenses - Multifamily (In thousands)



Quarter-to-Date Comparison	Q4 2021	Q4 2020	\$ Change	% Change	% of Q4 2021 Total
Controllable (1)	\$ 6,489	\$ 6,704	\$ (215)	(3.2)%	51.8 %
Non-Controllable (2)	 6,034	 6,292	 (258)	(4.1)%	48.2 %
Total same-store operating expenses	\$ 12,523	\$ 12,996	\$ (473)	(3.6)%	100.0 %

Sequential Comparison	Q4 2021	Q3 2021	 \$ Change	% Change	% of Q4 2021 Total
Controllable	\$ 6,489	\$ 6,591	\$ (102)	(1.5)%	51.8 %
Non-Controllable	6,034	6,412	 (378)	(5.9)%	48.2 %
Total same-store operating expenses	\$ 12,523	\$ 13,003	\$ (480)	(3.7)%	100.0 %

Year-to-Date Comparison	Υ	TD 2021	 YTD 2020	 \$ Change	% Change	% of YTD 2021 Total
Controllable	\$	26,089	\$ 25,989	\$ 100	0.4 %	51.0 %
Non-Controllable		25,023	25,004	19	0.1 %	49.0 %
Total same-store operating expenses	\$	51,112	\$ 50,993	\$ 119	0.2 %	100.0 %

⁽¹⁾ Controllable operating expenses consist of:

Utilities, Insurance and Real Estate Taxes

Payroll, Repairs & Maintenance, Marketing, Administrative and other

⁽²⁾ Non-Controllable operating expenses consist of:



Acquisitions

	Location	Acquisition Date	Number of Homes	December 31, 2021 Average Occupancy (YTD)	Contract Pu	urchase Price
The Oxford	Conyers, GA	August 10, 2021	240	93.0%	\$	48,000
Assembly Eagles Landing (1)	Stockbridge, GA	November 19, 2021	490	96.1%		106,000
			730		\$	154,000
Dispositions				Out to d Out to Bird		
	Location	Disposition Date	Square Feet	Contract Sales Price (in thousands)	GAAP (Loss	s) gain on Sale
Office Portfolio (2)	VA, DC	July 26, 2021	2,370,000	\$ 766,000	\$	(11,220)
Retail Portfolio (3)	VA, DC, MD	September 22, 2021	693,000	168,314		57,661
			3,063,000	\$ 934,314	\$	46,441

⁽¹⁾ Reflects the acquisitions of 860 South and 900 Dwell in Henry County, Georgia.

Office Portfolio consists of twelve office properties: 1901 Pennsylvania Avenue, 515 King Street, 1220 19th Street, 1600 Wilson Boulevard, Silverline Center, Courthouse Square, 2000 M Street, 1140 Connecticut Avenue, Army Navy Club, 1775 Eye Street, Fairgate at Ballston and Arlington Tower.

⁽³⁾ Retail Portfolio consists of eight retail properties: Takoma Park, Westminster, Concord Centre, Chevy Chase Metro Plaza, 800 S. Washington Street, Randolph Shopping Center, Montrose Shopping Center and Spring Valley Village.

Multifamily Communities

December 31, 2021



Property	Location	Apartment Homes	Current Strategy	Year Acquired	Year Built	Average Occupancy (1)	Ending Occupancy	% of Total Portfolio NOI ⁽¹⁾
Virginia								
Assembly Alexandria	Alexandria, VA	532	B Value-Add	2019	1990	95.7%	95.9%	6%
Cascade at Landmark	Alexandria, VA	277	B Value-Add	2019	1988	95.1%	96.8%	4%
Clayborne	Alexandria, VA	74	A-	N/A	2008	96.9%	97.3%	1%
Riverside Apartments	Alexandria, VA	1,222	B Value-Add	2016	1971	94.8%	95.3%	14%
Bennett Park	Arlington, VA	224	A-	N/A	2007	96.4%	96.4%	5%
Park Adams	Arlington, VA	200	В	1969	1959	95.6%	95.5%	2%
The Maxwell	Arlington, VA	163	A-	N/A	2014	96.1%	96.3%	2%
The Paramount	Arlington, VA	135	В	2013	1984	96.2%	95.6%	2%
The Wellington	Arlington, VA	711	B Value Add	2015	1960	95.1%	96.3%	8%
Trove	Arlington, VA	401	Α	N/A	2020	61.9%	94.5%	3%
Roosevelt Towers	Falls Church, VA	191	В	1965	1964	96.0%	94.8%	2%
Assembly Dulles	Herndon, VA	328	B Value-Add	2019	2000	95.9%	95.4%	4%
Assembly Herndon	Herndon, VA	283	B Value-Add	2019	1991	95.1%	95.8%	3%
Assembly Leesburg	Leesburg, VA	134	В	2019	1986	96.5%	98.5%	2%
Assembly Manassas	Manassas, VA	408	B Value-Add	2019	1986	95.6%	95.3%	5%
The Ashby at McLean	McLean, VA	256	В	1996	1982	96.3%	95.7%	5%
Washington, DC								
3801 Connecticut Avenue	Washington, DC	307	B Value-Add	1963	1951	93.7%	97.1%	3%
Kenmore Apartments	Washington, DC	374	B Value-Add	2008	1948	92.3%	94.9%	4%
Yale West	Washington, DC	216	A-	2014	2011	95.3%	96.3%	4%
Maryland								
Bethesda Hill Apartments	Bethesda, MD	195	В	1997	1986	95.7%	95.9%	3%
Assembly Germantown	Germantown, MD	218	B Value-Add	2019	1990	95.6%	96.3%	2%
Assembly Watkins Mill	Gaithersburg, MD	210	В	2019	1975	96.8%	98.6%	2%
Georgia								
Assembly Eagles Landing	Stockbridge, GA	490	В	2021	1997/2000	96.1%	95.7%	1%
The Oxford	Conyers, GA	240	В	2021	1999	93.0%	95.0%	1%

⁽¹⁾ For the twelve months ended December 31, 2021.

Office Properties

December 31, 2021



Property	Location	Year Acquired	Year Built	Net Rentable Square Feet	Leased % ⁽¹⁾	Ending Occupancy ⁽¹⁾	% of Total Portfolio NOI (2)
Washington, DC							
Watergate 600	Washington, DC	2017	1972/1997	295,000	92.4%	91.3%	12 %

The leased and occupied square footage for office properties includes short-term lease agreements.

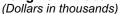
⁽²⁾ For the twelve months ended December 31, 2021.

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



	Т	welve Mo	nths	Ended										
	12/31/2021		1;	2/31/2020	12	/31/2021	9	/30/2021	6	/30/2021	3/	/31/2021	12	/31/2020
Adjusted EBITDA ⁽¹⁾														
Net income (loss)	\$	16,384	\$	(15,680)	\$	(6,796)	\$	31,319	\$	(6,992)	\$	(1,147)	\$	(11,037)
Add/(deduct):														
Interest expense		34,063		37,305		5,676		8,106		10,158		10,123		8,998
Real estate depreciation and amortization		95,560		120,030		20,114		18,252		27,551		29,643		30,241
Non-real estate depreciation		940		942		239		234		234		233		229
Severance expense		173		_		_		_		_		173		
Transformation costs		6,635		_		1,839		1,016		3,780		_		_
(Gain) loss on sale of depreciable real estate, net		(46,441)		15,009		_		(46,441)		_		_		7,470
Loss on extinguishment of debt		12,727		34		_		12,727		_		_		296
Loss on interest rate derivatives		5,866		560		_		106		5,760		_		560
Insurance gain		(1,026)				(1,026)								
Adjusted EBITDA	\$	124,881	\$	158,200	\$	20,046	\$	25,319	\$	40,491	\$	39,025	\$	36,757

Adjusted EBITDA is earnings before interest expense, taxes, depreciation, amortization, gain/loss on sale of real estate, casualty gain/loss, real estate impairment, gain/loss on extinguishment of debt, gain/loss on interest rate derivatives, severance expense, acquisition expenses, gain from non-disposal activities and transformation costs. 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.



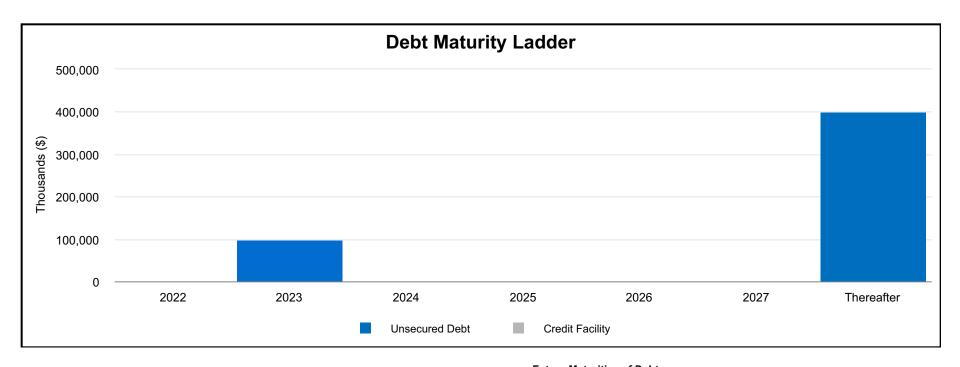


Balances Outstanding	 12/31/2021		9/30/2021		6/30/2021	3/31/2021			12/31/2020
Unsecured									
Fixed rate bonds	\$ 397,058	\$	396,993	\$	696,387	\$	696,174	\$	695,968
Term loan	99,888		99,830		249,518		249,460		249,402
Credit facility	_		_		43,000		33,000		42,000
Total	\$ 496,946	\$	496,823	\$	988,905	\$	978,634	\$	987,370
Weighted Average Interest Rates									
Unsecured									
Fixed rate bonds	4.5 %		4.5 %		4.3 %		4.3 %		4.3 %
Term loan (1)	2.3 %		2.3 %		2.9 %		2.9 %		2.9 %
Credit facility	— %		— %		1.1 %		1.1 %		1.1 %
Weighted Average	4.1 %	_	4.1 %	_	3.8 %	_	3.8 %		3.0 %

⁽¹⁾ WashREIT has entered into an interest rate swap to effectively fix the floating interest rate on its total \$100.0 million aggregate principal of its term loan outstanding as of December 31, 2021 (see page 26).

Note: The current debt balances outstanding are shown net of discounts, premiums and unamortized debt costs (see page 26).





Future Maturities of Debt										
Unse	ecured Debt	Credi	t Facility	Т	otal Debt	Avg Interest Rate				
\$	_	\$		\$		—%				
	100,000 (1)		_		100,000	2.3%				
	_		_			—%				
	_		_			—%				
	_		_			—%				
	400,000				400,000	4.5%				
\$	500,000	\$		\$	500,000	4.1%				
	(138)				(138)					
	(2,916)		<u> </u>		(2,916)					
\$	496,946	\$		\$	496,946	4.1%				
	_	100,000 (1)	Unsecured Debt \$ Credit \$ \$ 100,000 (1) 400,000 \$ 500,000 \$ (138) (2,916)	Unsecured Debt Credit Facility \$ — 100,000 (1) — — — — 400,000 — \$ 500,000 \$ (138) — (2,916) —	Unsecured Debt Credit Facility T \$ — \$ 100,000 — — — — — 400,000 — — \$ 500,000 \$ — (138) — — (2,916) — —	\$ — \$ — 100,000 — — — — — — — — — — — — — — — — — —				

Weighted average maturity = 7.2 years

WashREIT entered into an interest rate swap to effectively fix a LIBOR plus 110 basis points floating interest rate to a 2.31% all-in fixed rate for the remaining \$100.0 million portion of the 2018 Term Loan. The interest rates are fixed through the term loan maturity of July 2023.



Unsecured Public Debt Covenants

Unsecured Private Debt Covenants

	OOVEII	unto	Unsecured i fivate Debt Coveriants								
	Notes Pa	ayable	Line of and Term		Notes P	ayable					
	Quarter Ended December 31, 2021	Covenant	Quarter Ended December 31, 2021	Covenant	Quarter Ended December 31, 2021	Covenant					
% of Total Indebtedness to Total Assets ⁽¹⁾	26.0 %	≤ 65.0%	N/A	N/A	N/A	N/A					
Ratio of Income Available for Debt Service to Annual Debt Service	3.4	≥ 1.5	N/A	N/A	N/A	N/A					
% of Secured Indebtedness to Total Assets ⁽¹⁾	— %	≤ 40.0%	N/A	N/A	N/A	N/A					
Ratio of Total Unencumbered Assets ⁽²⁾ to Total Unsecured Indebtedness	3.9	≥ 1.5	N/A	N/A	N/A	N/A					
% of Net Consolidated Total Indebtedness to Consolidated Total Asset Value ⁽³⁾	N/A	N/A	13.0 %	≤ 60.0%	13.0 %	≤ 60.0%					
Ratio of Consolidated Adjusted EBITDA ⁽⁴⁾ to Consolidated Fixed Charges ⁽⁵⁾	N/A	N/A	4.13	≥ 1.50	4.13	≥ 1.50					
% of Consolidated Secured Indebtedness to Consolidated Total Asset Value ⁽³⁾	N/A	N/A	— %	≤ 40.0%	— %	≤ 40.0%					
% of Consolidated Unsecured Indebtedness to Unencumbered Pool Value ⁽⁶⁾	N/A	N/A	13.0 %	≤ 60.0%	13.0 %	≤ 60.0%					

⁽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.



					Three Months Ended									
					12/31/2021		9/30/2021		6/30/2021		3/31/2021		12/31/2020	
Market Data												_		
Shares Outstanding						86,261		84,628		84,590		84,564		84,409
Market Price per Share					\$	25.85	\$	24.75	\$	23.00	\$	22.10	\$	21.63
Equity Market Capitalization					\$	2,229,847	\$2	2,094,543	\$1	,945,570	\$	1,868,864	\$1	,825,767
Total Debt					\$	496,946	\$	496,823	\$	988,905	\$	978,634	\$	987,370
Total Market Capitalization					\$	2,726,793	\$2	2,591,366	\$2	,934,475	\$2	2,847,498	\$2	,813,137
Total Debt to Market Capitalization						0.18 :1		0.19 :1		0.34 :1		0.34 :1		0.35 :1
Earnings to Fixed Charges ⁽¹⁾						-0.2x		-1.7x		-0.6x		0.3x		-0.7x
Debt Service Coverage Ratio ⁽²⁾						3.5x		3.1x		4.0x		3.9x		4.1x
Dividend Data	Twelve Months Ended			Three Months Ended										
	1	12/31/2021		12/31/2020	12/31/2021		9/30/2021		6/30/2021		3/31/2021		12/31/2020	
Total Dividends Declared	\$	80,018	\$	99,775	\$	14,646	\$	14,437	\$	25,473	\$	25,462	\$	25,388
Common Dividend Declared per Share	\$	0.94	\$	1.20	\$	0.17	\$	0.17	\$	0.30	\$	0.30	\$	0.30
Payout Ratio (Core FFO basis)		88.7 %		82.8 %		100.0 %		85.0 %		85.7 %		88.2 %		90.9 %
Payout Ratio (Core AFFO basis)		86.2 %		90.9 %										

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 ratio includes loss on extinguishment of debt of \$12.7 million for the three months ended September 30, 2021, loss on interest rate derivatives of \$5.8 million for the three months ended December 31, 2020.

⁽²⁾ Debt service coverage ratio is computed by dividing Adjusted EBITDA (see page 24) by interest expense and principal amortization.